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Chapter V—Federal Home Loan Bank Board

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

[No. 72-1079]

PART 555—BOARD RULINGS

PART 556—STATEMENTS OF POLICY

Certain Officers and Offices of Federal Savings and Loan Associations

SEPTEMBER 14, 1972.

Resolved that the Federal Home Loan Bank Board considers it desirable to amend Parts 555 and 556 of the rules and regulations for the Federal Savings and Loan System (12 CFR Parts 555, 556) for the purposes of (1) adding a Board ruling regarding the title of the chief executive officer of a branch office of a Federal savings and loan association and (2) amending a Board statement of policy regarding branch offices, satellite offices, and mobile facilities of such associations to provide for prescribing the names of such offices and facilities in certain cases. Accordingly, on the basis of such consideration and for such purposes, the Federal Home Loan Bank Board hereby amends said Parts 555 and 556 as follows:

1. By adding to Part 555 a new § 555.14, immediately after § 555.13, to read as follows:

§ 555.14 Chief executive officer of branch office.

Section 5 of the prescribed form of bylaws for Federal associations having Charter N or Charter K (rev.) provides, in part, that the boards of directors of such associations may appoint such officers as they may determine from time to time. The right to appoint such officers includes the right to designate appropriate titles applicable to such officers whose titles are not specified in such bylaws. As to the chief executive officer of a branch office, the Board has no objection to such officer being titled division president, branch manager, or any other appropriate title which does not suggest that such branch office is an autonomous association.

2. By amending Part 556 by revising paragraph (c) of § 556.5 and by adding to § 556.5 a new paragraph (d), immediately after paragraph (c) of said section, to read as follows:

§ 556.5 Establishment of Federal savings and loan associations and branch office and mobile facilities of such associations.

* * * * *

(c) *Satellite offices.* The provisions of paragraphs (a), (b)(1), and (d) of this section relating to branch offices and to applications for permission to establish branch offices shall be applicable also to satellite offices and to applications for permission to establish satellite offices.

(d) *Name of branch office or mobile facility.* In order to minimize public confusion and prevent unfair competition, the Board may condition its approval of an application to establish or maintain a branch office or mobile facility, to be located within the market area of another Federal association having a name similar to the name of the parent association of such branch office or mobile facility, by prescribing the name to be used for such branch office or mobile facility and the manner in which the presence of such branch office or mobile facility in such area may be advertised or made known to the public. In the case of a merger or other acquisition, the Board will generally permit the resulting association to use as a name for any branch office or mobile facility a name (without the word "Association") that will preserve the identity of the merging association, such name to be followed by the words "a Division of (the name of the resulting association)".

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

By the Federal Home Loan Bank Board.

[SEAL] EUGENE M. HERRIN,
Assistant Secretary.

[FR Doc.72-16111 Filed 9-20-72;8:53 am]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter III—Economic Development Administration, Department of Commerce

PART 309—DISASTERS DECLARED BY THE PRESIDENT

The Economic Development Administration is amending Chapter III, Title 13 of the Code of Federal Regulations by adding Part 309 which provides that whenever the President declares a major disaster, EDA policy and administrative rules may be waived or relaxed.

Subpart A—Waiver or Relaxation of Regulatory Provisions With Respect to Disaster Areas

§ 309.1 General.

Whenever the President of the United States determines that a major disaster exists, or declares an area a major disaster area, the Assistant Secretary, to the extent not inconsistent with law, may by written order waive or relax any procedure pertaining to grants, loans, or contracts administered under the Public Works and Economic Development Act of 1965, as amended, in any area or areas affected by such disaster or so declared.

(Secs. 214, 302, 701, 79 Stat. 17, 19, 570; 40 U.S.C. App. A 214, 302, 701, 42 U.S.C. 3211, Dept. Orders 4-A, 5, 30 F.R. 11399, 11892)

Effective date will be September 15, 1972.

Dated: September 18, 1972.

ROBERT A. PODESTA,
Assistant Secretary for Economic Development.

[FR Doc.72-16074 Filed 9-20-72;8:53 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket 10115, Amdt. 25-33, 121-96]

PART 25—AIRWORTHINESS STANDARDS: TRANSPORT CATEGORY AIRPLANES

PART 121—CERTIFICATION AND OPERATIONS: DOMESTIC, FLAG, AND SUPPLEMENTAL AIR CARRIERS AND COMMERCIAL OPERATORS OF LARGE AIRCRAFT

Emergency Exit Arrangement

The purpose of these amendments to the Federal Aviation Regulations is to provide for improved emergency exit configurations of transport category airplanes that are required by Part 121 to have a lockable door installed between the pilot and passenger compartments.

This amendment is based on a notice of proposed rule making (Notice 70-5) published in the FEDERAL REGISTER on February 3, 1970 (35 F.R. 2412). A number of comments were received in response to the notice, most of which were favorable. Some comments, however, suggested further changes or clarifications and the FAA's disposition of such comments is set forth hereinafter.

As explained in Notice 70-5, the proposal would assure that airplanes type certificated under Part 25 with a lockable door installed between the pilot compartment and the passenger compartment to meet the requirements of Part 121 have emergency exit configurations that do not require the flight crews or the passengers to use that door in order to reach the emergency exits provided for them. It was further proposed that the new exit requirements be made

retroactively applicable to all type certificates issued under Part 25 after the effective date of the amendment irrespective of the date of application.

Several commentators objected to the retroactive requirement proposed as new § 25.4 in Notice 70–5. It was stated that for the smaller transport category airplanes nearing type certification, compliance with the proposed standards would require a substantial redesign of the fuselages to add the necessary space in the cockpit area for the installation of a crew compartment emergency exit. Another commentator asserted that the retroactive requirement would place on a manufacturer of smaller transport category airplanes an impossible burden which is not commensurate with any safety benefit that might result. In this connection, the FAA has made a survey of the transport category airplanes in the process of type certification. We agree that for the manufacturers of those airplanes that are not yet certificated, but are relatively far along in the design program and "hardened" in configuration, the retroactive requirement would impose an unreasonable penalty. With respect to the large transport category airplanes and the large jumbo jets for which type certificate applications have been filed, it appears that all have been designed to meet the proposed requirement. In view of the foregoing and upon further consideration, the FAA has determined that the proposed new § 25.4 should be withdrawn.

A number of commentators recommended that certain of the smaller transport category airplanes be excepted from the proposed requirement. One contended that because of the fewer passengers carried, the shorter range, and the widespread use of such airplanes as business aircraft, the proposed standards were unnecessary and would restrict design by forcing the construction of larger airplanes. Another commentator, reading into the proposal an FAA intent to regulate only the "ultra-large" airplanes operated by CAB certificated air carriers, recommended that large airplanes operated by air taxi and commercial operators under Part 135 be excepted from the rule. The FAA does not agree that there is justification for an exception to the emergency exit requirement merely because an airplane is operated under Part 135 rather than Part 121. The safety objectives of cockpit security and unobstructed evacuation paths are applicable to all airplanes required to comply with § 121.313(f). However, the FAA agrees that the proposed emergency exit configuration requirement need not be applied to transport category airplanes that have a passenger seating capacity of 20 seats or less. The exclusion of those airplanes from the proposed requirement is consistent with the exception provided in § 25.805 which recognizes the unreasonably difficult design problems associated with providing emergency exits in crew compartments of these airplanes. Accordingly, proposed § 25.772 has been revised to except from its applicability airplanes having a maximum passenger seating configuration of 20 seats or less.

The FAA does not agree with the comment recommending that further action on the proposal be withheld pending outcome of a CAB investigation of airplane weight limitations for air taxi operators. This proposal is based on the safety aspects of emergency evacuation and flight deck security which are not a part of the referenced CAB investigation.

In response to another comment, it should be noted that the intent of Amendment 121–67, adopted subsequent to the issuance of Notice 70–5, was to amend § 121.583(a) to provide an exception from the requirements of § 121.313(f) for airplanes carrying only those persons specified in that regulation. However, the comment has called to our attention an inadvertent reference to § 121.313(i) rather than to § 121.313(f) in the text of § 121.583 as made by Amendment 121–67. Accordingly, § 121.583(a) is amended to make this correction. In addition, at the request of industry, in order to assure that this operating exception to § 121.313(f) is clearly recognized, § 25.772 has been enlarged to cite § 121.583(a) specifically.

One commentator expressed concern that the proposal would tend to isolate the flight crew from the passengers and thus prevent the crew from having overall command of an emergency evacuation. The proposed rule is an aircraft certification requirement intended to provide improved evacuation capability for both crew and passengers without impairing cockpit security. Nothing in the proposal would prevent flight crew entry into the passenger compartment or preclude the flight crew from taking command during an emergency evacuation.

Several commentators suggested that an exception to the proposed emergency exit requirement be allowed by the installation of automatic unlocking doors, or doors that lock on the passenger side but are freely operable on the crew side, or by use of special hinges or knock-out panels, or by demonstration of freedom of movement through the door. It is the intent of the rule that under any foreseeable conditions of damage or malfunction of the crew compartment door, no airplane occupant be denied access to his required emergency exit. Since none of the conditions suggested provide for the contingency of a jammed door, the FAA does not agree that they provide acceptable alternatives.

One further comment recommended that reference to flight crew members be deleted in proposed § 25.772 because of the difficulties encountered in providing escape devices for descent from the high cockpits of the large jumbo jet airplanes. The contention was that since the volume of such devices makes it impractical to stow them in the cockpit area, the flight crew should be allowed egress through the pilot compartment door. However, the intent of the proposal, to insure flight crew egress in the event of an emergency evacuation, is as applicable to the jumbo jet category as to any other transport category airplanes. Moreover, because of the dimensions involved, it is even more important that the flight crews of the larger airplanes have readily accessible exits. With deletion of the proposed retroactivity requirement, no undue redesign burden is being placed on the manufacturers of airplanes now in the process of certification. For future airplanes, there appears no reason why suitable escape devices may not be incorporated at the initial design conception.

Interested persons have been afforded an opportunity to participate in the making of this amendment and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, Parts 25 and 121 of the Federal Aviation Regulations are amended as follows, effective October 21, 1972.

1. Part 25 is amended by adding a new § 25.772, following § 25.771, to read as follows:

§ 25.772 Pilot compartment doors.

(a) Except as provided in paragraph (b) of this section, if a lockable door is installed between the pilot compartment and the passenger compartment to comply with § 121.313(f) of this chapter, the emergency exit configuration of the airplane must be designed so that neither crewmembers nor passengers need use that door in order to reach the emergency exits provided for them.

(b) The provisions of paragraph (a) of this section do not apply to an airplane that—

(1) Has a maximum passenger seating configuration of 20 seats or less; or

(2) Is excepted from the equipment requirements of § 121.313(f) under the provisions of § 121.583(a) of this chapter.

2. Part 121 is amended by amending the lead-in sentence of paragraph (a) of § 121.583 by striking out the reference "121.313(i)" and substituting "121.313(f)" in place thereof.

(Secs. 313(a), 601, 603, 604, 605, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423, 1424, 1425; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on September 14, 1972.

J. H. SHAFFER,
Administrator.

[FR Doc.72-16057 Filed 9-20-72;8:46 am]

Chapter II—Civil Aeronautics Board

SUBCHAPTER A—ECONOMIC REGULATIONS

[Docket No. 21761; Order 72-9-62; Reg. ER-759, Amdt. 14]

PART 298—CLASSIFICATION AND EXEMPTION OF AIR TAXI OPERATORS

Maximum Payload Capacity; Opinion and Order on Reconsideration

By Order 72-7-61 in the above-named proceeding, we decided that the existing 12,500-pound takeoff weight limitation on air taxi aircraft under Part 298 should be replaced by a 30-seat/7,500-pound payload capacity restriction. Contemporaneously, we issued Regulation ER-748, to be effective September 17, 1972, to implement the amendments found to be in the public interest in the Part 298 Weight Limitation Investigation. On August 8, 1972, Southeast Airlines filed a petition for modification of ER-748 or for reconsideration of Order 72-7-61, and the Bureau of Operating Rights filed a petition for clarification and modification of ER-748.[1] Answers to the petitions were filed by Provincetown-Boston Airline and by Southeast.[2] On September 6 and 7, respectively, further answers to the Bureau's petition were submitted by Rocky Mountain Airways and by Executive Air Fleet Corp.[3]

The petitions, without challenging our underlying findings in Order 72-7-61, seek clarification and/or modification of the language employed in Regulation ER-748 to implement those findings. Under that regulation, air taxis would be permitted to operate aircraft with a "maximum passenger capacity" of 30 seats and a "maximum payload capacity" of 7,500 pounds.[4] These capacity tests were, in turn, defined as follows:

"Maximum passenger capacity"—means the maximum number of passenger seats for which an aircraft is configured.

"Maximum payload capacity"—means the maximum weight of that portion of an aircraft's useful load which, actually or potentially, produces revenues.

The pleadings on reconsideration maintain that the definition of "maximum payload capacity" is ambiguous in a number of respects, leaving some uncertainty as to whether such aircraft as the Convair 440 or the F-27 could qualify under the new rule (assuming that no more than 30 passenger seats were installed on these airplanes). Upon consideration of the matters presented, we agree that there is a need for clarification of the 7,500-pound payload capacity test, for the guidance of aircraft manufacturers and the air taxi industry.

In adopting a 7,500-pound payload limitation, in combination with the 30-seat restriction, we intended to impose essentially a capacity, rather than an operating, standard. As our opinion indicated, we did not intend to transform the basic character of the Part 298 exemption by authorizing the operation of large aircraft, leaving it to the individual operator to limit its actual payload on such aircraft to 7,500 pounds. Apart from the enforcement problems such a rule would present, it would eliminate certain of the advantages—such as cabin roominess, and greater flight range—that we expected certificated operators to retain over exempted carriers.[5] Similarly, we did not mean to qualify within the new rule such aircraft as the Convair 440, Martin 202 or 404, or F-27, all of which are generally capable of carrying payloads in excess of 7,500 pounds, but whose payloads are lower on long-haul flights requiring more fuel, or can be reduced artificially—through the use of unnecessary ballast,[6] for example.

To clarify the meaning of the 7,500-pound payload test and to implement our aims as set forth above, we have replaced the general definition of maximum payload capacity which appeared in Regulation ER-748, with a more detailed formula for computing an aircraft's payload capacity for the purposes of Part 298. We appreciate that no general method for measuring the precise actual payload capacity of each aircraft is available. However, we believe that the dual definition we are now adopting provides a workable standard for determining whether an airplane qualifies under the 7,500-pound payload criterion. As here revised, this new definition provides as follows:

"Maximum payload capacity"—means the maximum certificated takeoff weight of an aircraft, less the empty weight,[7] less all justifiable aircraft equipment, and less the operating load (consisting of minimum fuel load, oil, flight crew, steward's supplies, etc.). For purposes of this part, the allowance for the weight of the crew, oil, and fuel is as follows: (a) crew—200 pounds per crew member required under FAA regulations, (b) oil—350 pounds, (c) fuel—the minimum weight of fuel required under FAA regulations for a flight between domestic points 200 miles apart:[8]

Provided, however, That in the case of aircraft for which a maximum zero fuel weight is prescribed by the FAA,[9] maximum payload capacity means the maximum zero fuel weight, less the empty weight, less all justifiable aircraft equipment, and less the operating load (consisting of minimum flight crew, steward's supplies, etc., but not including disposable fuel or oil).

The first definition, applicable to aircraft for which no maximum zero fuel weight is prescribed, draws on the existing definition of "available load" in section 03 of Part 241 of the Board's regulations. In addition, to provide more concrete guidelines, it establishes allowances for the three major categories of operating load: The weight of the crew, oil, and fuel. The crew allowance follows a standard already utilized by the Board for passenger weight, while the oil allowance reflects the Bureau's recommendations based on an estimate of the average oil capacity of aircraft in the general DC-3/Convair 440 size range. For measuring fuel weight, the most significant operating load element, we have adopted as a standard the minimum fuel required under FAA safety regulations for a domestic flight over a 200-mile segment, under fair weather conditions. A flight-length limitation is necessary to clarify our intention (noted earlier) not to include within the Part 298 exemption long-haul operations with aircraft that carry payloads of less than 7,500 pounds, but are capable of carrying payloads of more than 7,500 pounds over short hauls. We have chosen a 200-mile segment as a yardstick for our fuel load allowance because more than 90 percent of scheduled air taxi operations are conducted in markets of fewer than 200 miles,[10] and because we expect the third-level industry to continue concentrating on these short-haul markets.

Next, in the case of aircraft for which the FAA requires a maximum zero fuel weight, we have adopted a formula for computing payload which starts with this zero-fuel-weight figure—rather than with the maximum takeoff weight—and requires no allowance for fuel or oil. A basic advantage of this second method, proposed by Executive Air Fleet, is that it represents—in situations where it can be applied—a more uniform test with fewer variables than the criteria to be employed in the case of aircraft having no maximum zero fuel weight. As a result, it should offer clearer guidance to aircraft manufacturers and air taxis, and should prove easier to administer. Another important consideration is the fact that any aircraft shown by the zero-fuel-weight formula to have a payload

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[1] A letter raising the same matters was submitted by the National Air Transport Conferences (NATC).

[2] An answer was also filed by Texas International Airlines. However, the carrier subsequently filed a motion for leave to withdraw its answer. TXI's motion will be granted.

[3] Rocky Mountain's answer was accompanied by a petition for leave to intervene, while Executive's was accompanied by a motion for leave to file. While good cause has not been shown to permit intervention at this late stage of the proceeding, we will accept the answers of both carriers. Similarly we will accept further pleadings submitted by Provincetown-Boston Airline (i.e., a reply to Southeast's answer) and by Southeast (i.e., an answer to Provincetown-Boston's reply). While we are not convinced that good cause has been shown for the acceptance of either of these otherwise unauthorized documents, they concern matters first raised on reconsideration and should therefore be accorded considerable latitude.

[4] This new rule is not applicable to operations within Alaska or Hawaii which continue to be governed by the 12,500-pound takeoff weight standard.

[5] See our earlier Opinion, pp. 30, 31.

[6] Not including mixed ballast required by the FAA's safety regulations.

[7] Empty weight is defined in section 03 of Part 241.

[8] Assumes VFR weather conditions and flights not involving extended overwater operations.

[9] The maximum zero fuel weight is the maximum permissible weight of an airplane with no disposable fuel or oil. The zero fuel weight figure may be found in the FAA's type certificate data sheets and/or in FAA-approved flight manuals.

[10] See Order 72-7-61, p. 22.

capacity below 7,500 pounds, can under no circumstances have a greater maximum payload, regardless of its certificated takeoff weight or whether it is used in long-haul or short-haul operations. This is so because zero fuel weight, as the maximum permissible weight of an airplane without fuel or oil, establishes an actual structural ceiling on maximum payload, in the sense that any additional weight over and above an aircraft's zero fuel weight (and up to its maximum certificated takeoff weight) may consist only of fuel and oil and not more payload.

Finally, while we have determined, on the available evidence, that our dual definition offers a sound method for computing maximum payload capacity, we recognize that the existing record on this question is rather limited. Thus, no detailed proposed definition of payload capacity was submitted until the Bureau filed its petition for clarification of Regulation ER–748, and the payload formula we have adopted relies heavily on the maximum zero-fuel-weight test recently proposed to us by Executive Air Fleet. Therefore, although we will permit the amended Part 298, with our revised definition of payload capacity, to become effective on September 17 we will afford interested persons (whether or not they are parties to the Part 298 case) a further opportunity to comment on this payload definition. The Board will carefully evaluate any such comments, and, if necessary, will make such further changes in the payload capacity formula as may be appropriate.

Any such comments will be filed within 30 days of the service date of this order and will be directed solely at the question of the appropriate method for computing maximum payload capacity in view of our objectives set forth earlier. Any person objecting to the Board's definition of maximum payload capacity, adopted herein, shall support its objection with specific argument and detailed underlying data. The Board will not entertain comments relating to any matter, other than the payload capacity definition, at issue in the Part 298 case, including requests for a change in the general 30-seat/7,500-pound payload test.[11]

Accordingly, it is ordered, That:

1. An amendment to Part 298 of the Board's economic regulations, in the form below, be and it hereby is adopted;

2. Said amendment shall be effective on September 17, 1972;

3. Interested persons may file comments on the revised definition of "maximum payload capacity," adopted herein, within 30 days of the service date of this order; and reply comments may be filed within 10 days thereafter;

4. Except to the extent granted herein, all petitions, motions, and requests herein be and they hereby are denied.

This order shall be published in the FEDERAL REGISTER.

Browne, Chairman, Gillilland, Vice Chairman, Minetti, Murphy, and Timm, Members, concurred in the above opinion and order.

By ER–748, adopted July 18, 1972, and published at 37 F.R. 14692, the Board adopted certain amendments to Part 298, thereby implementing its decision in the Part 298 Weight Limitation Investigation, Docket 21761.[1] These amendments, which are to become effective on September 17, 1972, include a new definition of "Maximum payload capacity," namely, the maximum weight of that portion of an aircraft's useful load which actually or potentially produces revenues. In Order 72–9–62, September 15, 1972, issued contemporaneously herewith, the Board has determined to clarify this general definition by providing a more detailed formula for computing an aircraft's payload capacity for the purposes of Part 298. The amendment herein reflects that determination.

Since the amendment herein merely implements the definitional clarification to Part 298 made by the Board in Order 72–9–62, supra, the Board finds that notice and public procedure thereon are unnecessary, and that the amendment may be made effective on less than 30 days' notice. As stated in said order, we will accept further comments and reply comments directed solely to the question of the appropriate method of computing maximum payload capacity. Comments should be filed within 30 days of the service date hereof and reply comments within 10 days thereafter.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 298 of the Economic Regulations (14 CFR Part 298) effective September 17, 1972, as follows:

Amend § 298.2 by defining the term "maximum payload capacity" to read as follows:

§ 298.2 Definitions.

As used in this part:

* * * * *

"Maximum payload capacity"—means the maximum certificated takeoff weight of an aircraft, less the empty weight,[2] less all justifiable aircraft equipment, and less the operating load (consisting of minimum fuel load, oil, flight crew, steward's supplies, etc.). For purposes of this part, the allowance for the weight of the crew, oil, and fuel is as follows: (a) Crew—200 pounds per crew member required under FAA regulations, (b) oil—350 pounds, (c) fuel—the minimum weight of fuel required under FAA regulations for a flight between domestic points 200 miles apart;[3] *Provided, however,* That in the case of aircraft for which a maximum zero fuel weight is prescribed by the FAA,[4] maximum payload capacity means the maximum zero fuel weight, less the empty weight, less all justifiable aircraft equipment, and less the operating load (consisting of minimum flight crew, steward's supplies, etc., but not including disposable fuel or oil).

* * * * *

(Secs. 204, 416, Federal Aviation Act of 1958, as amended, 72 Stat. 743, 771; 49 U.S.C. 1324, 1386)

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK, *Secretary.*

[FR Doc.72–16108 Filed 9–20–72;8:53 am]

[11] Similarly, the Board will not entertain comments favoring a definition of maximum payload, like that proposed by Southeast, which would authorize the use of large aircraft so long as they were actually operated with payloads of less than 7,500 pounds.

[1] Order 72–7–61, July 18, 1972.

[2] Empty weight is defined in section 03 of Part 241 as follows: "the weight of the airframe; engines, propellers, and fixed equipment. Empty weight excludes the weight of the crew and payload, but includes the weight of all fixed ballast, unusable fuel supply, undrainable oil, total quantity of engine coolant, and total quantity of hydraulic fluid."

[3] Assumes VFR weather conditions and flights not involving extended overwater operations.

[4] The maximum zero fuel weight is the maximum permissible weight of an airplane with no disposable fuel or oil. The zero fuel weight figure may be found in the FAA's type certificate data sheets, and/or in FAA-approved flight manuals.

Title 21—FOOD AND DRUGS

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

SUBCHAPTER C—DRUGS

PART 135—NEW ANIMAL DRUGS

Subpart C—Sponsors of Approved Applications

CHANGE IN CORPORATE NAME

The Commissioner of Food and Drugs has received notification that the firm name Kuba-Koon II, Ltd., has been changed to Babineaux Veterinary Products, Inc. The firm has submitted revised drug labeling reflecting the name change as a supplemental new animal drug application (46–147V). The supplemental application is approved.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347; 21 U.S.C. 360b(i)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 135 is amended in § 135.501(c) by changing the firm name for code No. 061, as follows:

§ 135.501 Names, addresses, and code numbers of sponsors of approved applications.

* * * * *

(c) * * *

Code No.	Firm name and address
* * *	* * *
061	Babineaux Veterinary Products, Inc., 6425 Airline Highway, Metairie, LA 70003.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER (9–21–72).

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

Dated: September 15, 1972.

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

[FR Doc.72–16042 Filed 9–20–72;8:45 am]

PART 135c—NEW ANIMAL DRUGS IN ORAL DOSAGE FORMS

Phthalofyne

The Commissioner of Food and Drugs has evaluated a supplemental new animal drug application (9–342V) filed by Pitman-Moore, Inc., Washington Crossing, N.J. 08560, proposing the safe and effective use of phthalofyne as an anthelmintic in dogs. The supplemental application is approved.

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

§ 135c.76 Phthalofyne tablets.

(a) *Specifications.* Phthalofyne tablets contain 456 milligrams, 912 milligrams, and 2.28 grams of phthalofyne.

(b) *Sponsor.* See code No. 066 in § 135.501(c) of this chapter.

(c) *Conditions of use.* (1) The drug is used for the treatment of whipworm (*Trichuris vulpis*) infection in dogs.

(2) It is recommended that dogs be fasted 24 hours prior to a single dose. The drug is administered at a level of one tablet of 456 milligrams per 5 pounds of body weight, one tablet of 912 milligrams per 10 pounds of body weight or one tablet of 2.28 grams per 25 pounds of body weight. An alternative procedure of two doses each administered following light meals in morning and evening is recommended in obstinate cases. The same schedule, noted above, is used for each dose.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER (9–21–72).

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

Dated: September 15, 1972.

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

[FR Doc.72–16043 Filed 9–20–72;8:45 am]

PART 135c—NEW ANIMAL DRUGS IN ORAL DOSAGE FORMS

Dithiazanine Iodide

The Commissioner of Food and Drugs has evaluated supplemental new animal drug applications (11–531V and 11–674V) filed by Elanco Products Co., Post Office Box 1750, Indianapolis, Ind. 46206, proposing revised labeling for the safe and effective use of dithiazanine iodine tablets and dithiazanine iodide powder as an anthelmintic in dogs. The supplemental applications are approved.

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

§ 135c.82 Dithiazanine iodide tablets, veterinary.

(a) *Chemical name.* 3-ethyl-2-[5-(3-ethyl - 2 - benzothiazolinylidene) - 1,3-pentadienyl]-benzothiazolium iodide.

(b) *Specifications.* Dithiazanine iodide tablets, veterinary contain 10 milligrams, 50 milligrams, 100 milligrams, or 200 milligrams of dithiazanine iodide in each tablet.

(c) *Sponsor.* See code No. 014 in § 135.501(c) of this chapter.

(d) *Conditions of use.* (1) The tablets are administered orally to dogs immediately after feeding at a dosage level of 10 milligrams per pound of body weight daily using the following dosage schedule for various parasite infestations:

	Days
Large roundworms (*Toxocara canis, Toxascaris leonina*)	3 to 5
Hookworms (*Ancylostoma caninum, Uncinaria stenocephala*), and Whipworms (*Trichuris vulpis*)	7
Strongyloides (*Strongyloides canis, Strongyloides stercoralis*)	10 to 12
Heartworm microfilaria (*Dirofilaria immitus*)	5 to 10

(2) The drug is contraindicated in animals sensitive to dithiazanine iodide and should be used cautiously, if at all, in dogs with reduced renal function.

(3) Federal law restricts this drug to use by or on the order of a licensed veterinarian.

§ 135c.83 Dithiazanine iodide powder, veterinary.

(a) *Chemical name.* 3-ethyl-2-[5-(3-ethyl - 2 - benzothiazolinylidene) - 1, 3-pentadienyl]-benzothiazoliumiodide.

(b) *Specifications.* Dithiazanine iodide powder, veterinary contains 200 milligrams of dithiazanine iodide per level standard tablespoon.

(c) *Sponsor.* See code No. 014 in § 135.501(c) of this chapter.

(d) *Conditions of use.* (1) Dithiazanine iodide powder, veterinary is administered to dogs by mixing the proper dosage in the dog's food, at a dosage level of 10 milligrams per pound of body weight daily using the following dosage schedule for various parasite infestations:

Large roundworms (*Toxocara canis, Toxascaris leonina*)	3 to 5
Hookworms (*Ancylostoma caninum, Uncinaria stenocephala*), and Whipworms (*Trichuris vulpis*)	7
Strongyloides (*Strongyloides canis, Strongyloides stercoralis*)	10 to 12
Heartworm microfilaria (*Dirofilaria immitus*)	5 to 10

(2) The drug is contraindicated in animals sensitive to dithiazanine iodide and should be used cautiously, if at all, in dogs with reduced renal function.

(3) Federal law restricts this drug to use by or on the order of a licensed veterinarian.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER (9–21–72).

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

Dated: September 15, 1972.

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

[FR Doc.72–16041 Filed 9–20–72;8:45 am]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 328—RESTRICTIVE ENDORSEMENTS OF BEARER SECURITIES

Authorizations and Forms

The Department of the Treasury Circular No. 853, Revised, dated December 4, 1964 (31 CFR Part 328), is amended by the revision of § 328.1 and footnote 1, by adding subparagraph (4) to § 328.3 and relettering paragraph (b) of § 328.5 as (c) and the insertion of new paragraph (b), as follows:

§ 328.1 Scope of regulations.

The regulations in this part are applicable only to United States bearer securities[1] presented (a) by or through banks for payment at or after their maturity or call date, or in exchange for any securities under any exchange offering, (b) by member banks of the Federal Reserve System for conversion to book-entry securities, (c) by or through banks at any time prior to their maturity or call date for redemption at par and application of the entire proceeds in payment of Federal estate taxes, provided said securities by the terms of their issue are eligible for such redemption, and (d) by District Directors, Internal Revenue Service, for redemption, with the proceeds to be applied in payment of taxes (other than securities presented under paragraph (c) of this section. These regulations do not apply to bearer securities presented for any other transactions, or to register securities assigned in blank, or to bearer, or so assigned as to become, in effect, payable to bearer.

[1] Certain agencies of the United States and certain Government and Government-sponsored corporations also authorize the restrictive endorsement of bearer securities.

§ 328.3 Authorization for restrictive endorsements.

(a) *By banks.* * * *

(4) For conversion to book-entry securities, but only by member banks of the Federal Reserve System as defined in § 306.115(g) of this chapter. At any time prior to their maturity or call redemption date.

* * * * *

§ 328.5 Forms of endorsement.

* * * * *

(b) *For conversion to book-entry securities.* The endorsement placed on a bearer security presented by a member bank of the Federal Reserve System for conversion to a book-entry security shall be in the following form:

For presentation to the Federal Reserve Bank of _____, Fiscal Agent of the United States, for conversion to book-entry securities.

_____
(Name of presenting bank)
ABA No. _____

* * * * *

The foregoing amendments are made for the purpose of adapting the regulations in this part to Subpart O of Department of the Treasury Circular No. 300, Third Revision, as amended (31 CFR Part 306). In view of the publication of Subpart O in 37 F.R. 8671, April 29, 1972, I find that notice and public procedures are unnecessary. This action is effected under the provisions of the Second Liberty Bond Act, as amended, 31 U.S.C. 752, 754, 754b, and 5 U.S.C. 301.

Dated: September 18, 1972.

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

[FR Doc.72-16133 Filed 9-20-72;8:53 am]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter X—Office of Oil and Gas, Department of the Interior

[Oil Import Reg. 1 (Rev. 5), Amdt. 45]

OI REG. 1—OIL IMPORT REGULATIONS

Allocation of Contingency Oil

By Presidential Proclamation 3279, as amended, September 18, 1972, the President authorized certain increases in allocations theretofore made of imports of No. 2 fuel oil under section 30 of Oil Import Regulation 1 (Revision 5), as amended. Also, it is appropriate to allocate other available, but not previously allocated, crude and unfinished oils.

Accordingly, there has been added to Oil Import Regulation 1 (Revision 5), as amended, a paragraph (f) to section 10, a paragraph (l) to section 25, a paragraph (p) to section 29, and a paragraph (j) to section 30.

Since this increase in certain allocations of imports of crude oil, unfinished oils, and No. 2 fuel oil should become effective promptly, this amendment shall become effective upon its publication in the FEDERAL REGISTER (9-21-72).

H. M. DOLE,
Assistant Secretary, Mineral Resources.

SEPTEMBER 19, 1972.

I concur:

G. A. LINCOLN,
Director, Office of Emergency Preparedness.

1. A new paragraph (f), reading as follows, is added to section 10 of Oil Import Regulation 1 (Revision 5), as amended:

Sec. 10 Allocations; Refiners; Districts I–IV.

* * * * *

(f) The holder of an allocation made under this section for the current allocation period shall receive an increased allocation equal to approximately 3.0 percent of the total amount of that allocation. Unfinished oils may be imported under such an increased allocation, but imports of such oil shall not exceed 15 percent of the increased allocation.

2. A new paragraph (l), reading as follows, is added to section 25 of Oil Import Regulation 1 (Revision 5), as amended:

Sec. 25 Allocations of crude and unfinished oils—Districts I–IV, District V—new or reactivated refinery capacity and petrochemical plants—based upon estimated inputs.

* * * * *

(l) The holder of an allocation based upon new or reactivated refinery capacity made under this section of imports into Districts I–IV for the current allocation period shall receive an increased allocation equal to approximately 3.0 percent of the total allocation. Unfinished oils may be imported under such an increased allocation, but imports of such oil shall not exceed 15 percent of the increased allocation.

3. A new paragraph (p), reading as follows, is added to section 29 of Oil Import Regulation 1 (Revision 5), as amended:

Sec. 29 Canadian imports—Districts I–IV—1972.

* * * * *

(p) Except as provided in the last sentence of this paragraph, the holder of an allocation made under this section for the current allocation period (who has not relinquished all or any part of the same, except a suballocation), shall receive an increased allocation of Canadian imports equal to approximately 2.3 percent of that allocation less any suballocation relinquished. Paragraphs (g), (h), and (k) of this section 29 shall apply to increased allocations made pursuant to this paragraph (p); however, the date for relinquishment of all or a part of such increased allocations shall be November 15, 1972. No increased allocation shall be in an amount which, when added to the regular allocation of the allocation holder, exceeds the qualified inputs of the allocation holder during the period October 1, 1970, through September 30, 1971.

4. A new paragraph (j), reading as follows, is added to section 30 of Oil Import Regulation 1 (Revision 5), as amended:

Sec. 30 Allocations of No. 2 fuel oil—District I.

* * * * *

(j) The holder of an allocation made under this section for the current allocation period shall receive an increased allocation equal to approximately 11.1 percent of the total amount of that allocation.

[FR Doc.72-16141 Filed 9-19-72;10:44 am]

[Oil Import Reg. 1 (Rev. 5), Amdt. 46]

OI REG. 1—OIL IMPORT REGULATIONS

Miscellaneous Allocations

By Presidential Proclamation 3279, as amended, September 18, 1972, the President has authorized arrangements whereby importers who have allocations of imports of crude oil, unfinished oils, finished products, and No. 2 fuel oil under sections 9, 10, 13, 25, or 30, of Oil Import Regulation 1 (Revision 5), as amended, may import during the balance of the calendar year 1972, additional quantities of crude oil, unfinished oils, finished products, and No. 2 fuel oil, which additional allocations will be deducted from allocations hereafter made available to persons for the calendar year 1973. The additional allocations under sections 9, 10, 13, 25, or 30, may not exceed ten percent (10%) of a person's 1972 allocation issued prior to September 1, 1972.

Accordingly, the following amendments are made to sections 3, 9, 10, 13, 25, and 30, respectively, of Oil Import Regulation 1 (Revision 5), as amended. Upon request by any holder or holders thereof, provision may be made for amendments of allocation provisions of Puerto Rican allocations to permit additional shipments to the mainland consistent with this amendment of the regulations.

Since Presidential Proclamation 3279, as amended, must be implemented promptly, the following amendments shall became effective upon their publication in the FEDERAL REGISTER (9-21-72).

H. M. DOLE,
Assistant Secretary—Mineral Resources.

SEPTEMBER 19, 1972.

I concur:
G. A. LINCOLN,
Director, Office of Emergency, Preparedness.

1. Paragraph (a) of section 3 of Oil Import Regulation 1 (Revision 5), as amended, is hereby amended as follows:

Sec. 3 Allocation periods.

(a) Except for allocations made pursuant to subparagraph (4) of paragraph (b) of section 3 of Proclamation 3279, as amended, which may be established and adjusted by the Director, with respect to Districts I–IV and District V, allocations of imports of crude oil, unfinished oils, and finished products (other than residual fuel oil to be used as fuel), will be made for periods of 12 months beginning January 1. Allocations of imports into Districts II–IV of residual fuel oil to be used as fuel will be made for periods of 12 months beginning April 1, and allocations of such imports into District V will be made for periods of 12 months beginning January 1.

* * * * *

2. Section 9 of Oil Import Regulation 1 (Revision 5), as amended, is hereby amended by adding thereto the following paragraph:

Sec. 9 Allocations; Petrochemical Plants; Districts I–IV, District V.

* * * * *

(e) (1) Each person holding an allocation made prior to September 1, 1972, under and by virtue of paragraph (a) of this section 9 shall receive an additional allocation of imports of crude oil and unfinished oils in an amount of ten percent (10%) of the allocation heretofore made to him for the allocation period January 1, 1972, through December 31, 1972: *Provided,* That such additional allocation shall be charged against the person's allocation of imports of crude oil and unfinished oils for the person's petrochemical plant or plants for the allocation period January 1, 1973, through December 31, 1973, and such allocation shall be reduced accordingly: *Provided further,* That, in the event a person to whom an additional allocation has been made pursuant to this paragraph (e) does not receive an allocation of crude and unfinished oils for a petrochemical plant or plants for the allocation period January 1, 1973, through December 31, 1973, or, in the event a person's allocation of such imports for such allocation period is less than the amount of the additional allocation made to such person pursuant to this paragraph (e), the additional allocation so made, if any, or the amount thereof not otherwise recovered shall be deducted from any other allocation or allocations to which the person may otherwise become entitled in the calendar year 1973.

(2) Licenses for the importation of crude oil and unfinished oils pursuant to additional allocations made under and by virtue of this paragraph (e) shall be valid for the period beginning October 1, 1972, and expiring on December 31, 1973.

(3) The limitations upon and the conditions for adjustment of quantities of imports of unfinished oils into Districts I–IV contained in paragraph (c) of this section shall apply to imports pursuant to any additional allocations made under and by virtue of this paragraph (e).

3. Section 10 of Oil Import Regulation 1 (Revision 5), as amended, is hereby amended by adding thereto the following paragraph:

Sec. 10 Allocations; Refiners; Districts I–IV.

* * * * *

(g) (1) Each person holding an allocation made prior to September 1, 1972, under and by virtue of this section 10 shall receive an additional allocation of imports of crude oil and unfinished oils in an amount of ten percent (10%) of the allocation heretofore made to him for the allocation period January 1, 1972, through December 31, 1972: *Provided,* That such additional allocation shall be charged against the person's allocation of imports of crude oil and unfinished oils for the allocation period January 1, 1973, through December 31, 1973, and such allocation shall be reduced accordingly: *Provided further,* That, in the event a person to whom an additional allocation has been made pursuant to this paragraph (g) does not receive an allocation of imports of crude and unfinished oils based on refinery inputs to the person's refinery capacity for the year ending September 30, 1972, and for the allocation period January 1, 1973, through December 31, 1973, or, in the event a person's allocation of such imports for such allocation period is less than the amount of the additional allocation made to such person pursuant to this paragraph (g), the additional allocation so made, if any, or the amount thereof not otherwise recovered shall be deducted from any other allocation or allocations to which the person may otherwise become entitled in the calendar year 1973.

(2) Licenses for the importation of crude oil and unfinished oils pursuant to additional allocations made under and by virtue of this paragraph (g) shall be valid for the period beginning October 1, 1972, and expiring on December 31, 1973.

(3) The limitations upon and the conditions for adjustment of quantities of imports of unfinished oils and finished products into Districts I–IV contained in paragraph (c) to this section shall apply to imports pursuant to any additional allocations made under and by virtue of this paragraph (g).

(4) The provisions of paragraph (e) of this section shall apply to imports pursuant to any additional allocation made under and by virtue of this paragraph (g).

4. Section 13 of Oil Import Regulation 1 (Revision 5), as amended, is hereby amended by adding thereto the following paragraph:

Sec. 13 Finished products.

* * * * *

(c) (1) Each person and each agency of the United States holding an allocation made prior to September 1, 1972, under and by virtue of paragraph (a) of this section 13 may receive upon request to the Director of Office of Oil and Gas an additional allocation of imports of finished products into Districts I–IV in the amount of ten percent (10%) of the allocation made to that person or agency for the allocation period January 1, 1972, through December 31, 1972: *Provided,* That such additional allocation shall be charged against the person's or agency's allocation of imports of finished products for the allocation period January 1, 1973, through December 31, 1973, and such allocation will be reduced accordingly: *Provided further,* That, in the event a person or agency to whom an additional allocation has been made pursuant to this paragraph (c) does not receive an allocation of imports of finished products for the allocation period January 1, 1973, through December 31, 1973, or, in the event a person's or agency's allocation of such imports for such allocation period is less than the amount of the additional allocation made to such person or agency pursuant to this paragraph (c), the additional allocation so made, if any, or the amount thereof not otherwise recovered shall be deducted from any other allocations to which the person or agency may otherwise become entitled in the calendar year 1973.

(2) Licenses for the importation of finished products pursuant to additional allocations made under and by virtue of this paragraph (c) shall be valid for the period beginning October 1, 1972, and expiring on December 31, 1973.

5. Section 25 of Oil Import Regulation 1 (Revision 5), as amended, is hereby amended by adding thereto the following paragraph:

Sec. 25 Allocations of crude and unfinished oils—Districts I–IV, District V—new or reactivated refinery capacity and petrochemical plants—based upon estimated inputs.

* * * * *

(m) (1) Each person holding an allocation made prior to September 1, 1972, of imports of crude and unfinished oils into Districts I–IV for new or reactivated refinery capacity or petrochemical plants under and by virtue of this section 25 shall receive an additional allocation of imports of crude oil and unfinished oils into Districts I–IV in an amount not exceeding ten percent (10%) of the allocation heretofore made to him for the allocation period January 1, 1972, through December 31, 1972: *Provided,* That such additional allocation shall be charged against the person's allocation of imports of crude oil and unfinished oils for new or reactivated refinery capacity or petrochemical plants for an allocation period expiring in the calendar year 1973 and such allocation shall be reduced accordingly: *Provided further,* That in the event a person to whom an additional allocation has been made pursuant to this paragraph (m) does not receive an allocation of imports of crude and unfinished oils into Districts I–IV for new or reactivated refinery capacity or petrochemical plants for an allocation period expiring in the calendar year 1973, or, in the event a person's allocation of such imports for an allocation period is less than the amount of the additional allocation made to such person pursuant to this paragraph (m), the additional allocation so made or the amount thereof

not otherwise recovered shall be deducted from any other allocation or allocations to which the person may otherwise become entitled in the calendar year 1973.

(2) Licenses for the importation of crude oil and unfinished oils pursuant to additional allocations made under and by virtue of this paragraph (m) shall be valid for the period beginning October 1, 1972, and expiring on December 31, 1973.

(3) All limitations in this section 25 governing the making of allocations of imports of crude oil and unfinished oils into Districts I–IV for new or reactivated refinery capacity or petrochemical plants, the sale, assignment, or transfer of allocations, and the importation of unfinished oils shall be applicable to additional allocations made pursuant to this paragraph (m).

6. Section 30 of Oil Import Regulation 1 (Revision 5), as amended, is hereby amended by adding thereto the following paragraph:

Sec. 30 Allocations of No. 2 Fuel Oil—District I.

* * * * *

(k) (1) Each person holding an allocation made prior to September 1, 1972, under and by virtue of this section 30 shall receive an additional allocation of imports of crude oil and unfinished oils in an amount not exceeding ten percent (10%) of the allocation heretofore made to him for the allocation period January 1, 1972, through December 31, 1972: *Provided*, That such additional allocation shall be charged against the person's allocation of imports of No. 2 fuel oil for the allocation period January 1, 1973, through December 31, 1973, and such allocation shall be reduced accordingly.

(2) Licenses for the importation of No. 2 fuel oil pursuant to additional allocations made under and by virtue of this paragraph (k) shall be valid for the period beginning October 1, 1972, and expiring on December 31, 1973.

(3) All provisions in this section 30 governing the making of allocations of imports of No. 2 fuel oil, qualified inputs, first delivery, the sale, shipment, or transfer of allocations, the importation or shipment of No. 2 fuel oil into District I, the importation of crude oil into Districts I–IV in exchange for No. 2 fuel oil to be received in District I and the relinquishment of all or part of an allocation under this section in exchange for No. 2 fuel oil shipped from Puerto Rico shall be applicable to additional allocations made pursuant to this paragraph (k).

[FR Doc.72-16142 Filed 9-19-72;10:44 am]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 19488; FCC 72-819]

PART 13—COMMERCIAL RADIO OPERATORS

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

Certain Operator Requirements

Report and Order. In the matter of amendment of Part 74 (Experimental, Auxiliary, and Special Broadcast, and other Program, Distributional Services) as to certain operator requirements; Docket No. 19488.

1. The Commission here considers the notice of proposed rule making in this proceeding, adopted April 5, 1972 (FCC 72-332; 37 F.R. 7530).

2. The Commission proposed deletion from Part 74 of the requirements for licensed operators whenever a restricted radiotelephone operator (referred to as an "RP") is presently allowed to perform the function, because an RP performs duties and functions not unlike those performed in other services where there are no requirements for a licensed operator and the deletion of licensed operator requirements would not be a detriment to broadcasting. We observed that these operator requirements had been included in our rules as a matter of discretion rather than statutory mandate of section 318 of the Communications Act of 1934, as amended. In other words, the requirements for RP's performing only broadcast-related services on frequencies neither allocated to radio and television broadcasting nor disseminating radio communications intended to be received by the general public could be eliminated without contravening clause (3) of section 318, as amended. Section 318 pertinently provides:

> The actual operation of all transmitting apparatus in any radio station for which a station license is required by this Act shall be carried on only by a person holding an operator's license issued hereunder, and no person shall operate any such apparatus in such station except under and in accordance with an operator's license issued to him by the Commission: *Provided, however*, That the Commission if it shall find that the public interest, convenience, or necessity will be served thereby may waive or modify the foregoing provisions of this section for the operation of any station except * * * (3) stations engaged in broadcasting (other than those engaged solely in the function of rebroadcasting the signals of television broadcast stations) * * *.

3. In proposing the change of operator requirements discussed in the last paragraph, there was no intention to change the requirements as to limitations on adjustments, making repairs, and other responsibility for maintenance and proper functioning of remote pickup and aural broadcast STL stations or an intercity relay which § 13.61(h) of the Commission's rules and regulations requires to be performed by or under the immediate supervision of a first or second class operator. To make this amply clear, we are adding to the amendatory language to §§ 74.465(a) and 74.565.

4. All the parties filing comments favor the proposed changes. Some urge that the Commission also amend § 13.61 (g)(3) to read as follows (italic shows language to be deleted):

> Any of the various classes of broadcast stations other than noncommercial educational FM broadcast stations using transmitters with power ratings of 10 watts or less, *remote pickup broadcast stations and ST broadcast stations*, or

It would appear that similar references to remote pickup and ST broadcast stations should be deleted from paragraphs (a)(2), (b)(2), and (d)(2) of § 13.61 to conform § 13.61 to the changes being made in Part 74.

5. The comments of the National Association of Broadcasters (NAB)[1] merit special attention. NAB considers "the instant proposal * * * [as] one effort toward modernizing many of the rules set forth in Part 74" and it refers to its petition in RM-1735 "looking toward a complete and total updating of * * * Part 74, Subparts D, E, and F." Suffice it to say that we are not oblivious to the overlap between NAB's petition and this proceeding, but this is mainly superficial. The underlying considerations for this proceeding and NAB's petition are different.

6. Accordingly, the public interest, convenience, and necessity will be served by the amendments to Parts 74 and 13 as set forth below. Authority for these amendments is contained in sections 4(i) and 303(r) of the Communications Act of 1934, as amended.

7. *It is ordered*, That these amendments shall be effective October 31, 1972.

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

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

Adopted: September 13, 1972.

Released: September 19, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[2]

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

[1] The others filing comments are: Greater New York Media, Inc.; WESO Corp.; Raritan Valley Broadcasting Co., Inc.; WGSM Radio, Inc.; Buckley Broadcasting Corporation of California; Buckley Broadcasting Corporation of Connecticut; Lee Enterprises, Inc.; Texas State Network; Warman Broadcasting, Inc.; Texas Coast Broadcasters, Inc.; Robert Burdette and Associates, Inc.; Colonial [Broadcasting, Inc.; and Columbia] Broadcasting System, Inc.

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

1. In § 13.61, paragraphs (a)(2), (b)(2), (d)(2), (g)(3), and (h)(3), are amended to read as follows:

§ 13.61 **Operating authority.**

* * * * *

(a) * * *

(2) Any of the various classes of broadcast stations, or

* * * * *

(b) * * *

(2) Any of the various classes of broadcast stations, or

* * * * *

(d) * * *

(2) Any of the various classes of broadcast stations other than noncommercial educational FM broadcast stations using transmitters with power ratings of 10 watts or less, or

* * * * *

(g) * * *

(3) Any of the various classes of broadcast stations other than noncommercial educational FM broadcast stations using transmitters with power ratings of 10 watts or less, or

* * * * *

(h) * * *

(3) Any of the various classes of broadcast stations other than FM translator and booster stations, or

* * * * *

2. Paragraph (h) of § 74.437 is amended to read as follows:

§ 74.437 **Special rules relating to low power broadcast auxiliary stations.**

* * * * *

(h) A low power broadcast auxiliary transmitting station may be operated only by a person designated by and under the control of the licensee and need not be a licensed operator under Part 13 (Commercial Radio Operators) of the Commission's rules and regulations. Any adjustments or repairs that could affect the proper operation of transmitting units shall be made by or under the immediate supervision of an operator holding a valid first or second class radiotelephone license.

* * * * *

3. In § 74.464, the headnote is revised; paragraph designator (a) and paragraph (b) are deleted, and paragraphs (a)(1), (2) and (3) become paragraphs (a), (b) and (c) to read as follows:

§ 74.464 **Posting of station licenses.**

The station license and any other instrument of authorization or individual order concerning the construction of the equipment or manner of operation of the station shall be posted so that all terms thereof are visible in a conspicuous place in the room in which the transmitter is located: *Provided:*

* * * * *

NOTE: The term portable-mobile as here used is intended to include any type of portable or mobile operation.

4. In § 74.465, paragraph (a) is amended and paragraph (e) is deleted, and the citation authority amended to read as follows:

§ 74.465 **Operator requirements.**

(a) A remote pickup broadcast station may be operated only by a person designated by and under control of the licensee and need not be a licensed operator under Part 13 (Commercial Radio Operators) of the Commission's rules and regulations. Any adjustments or repairs shall be made by or under the immediate supervision of an operator holding a first or second license responsible for the maintenance and proper functioning of such remote pickup broadcast station as required by Section 13.61(h) of the Commission's Rules and Regulations.

* * * * *

(Sec. 318, 48 Stat. 1089, as amended by P.L. 86-609, 74 Stat. 363; 47 U.S.C. 318)

5. In § 74.533, paragraphs (a)(1) and (b)(4), and the citation authority are amended to read as follows:

§ 74.533 **Remote control and unattended operation.**

(a) * * *

(1) The operating position shall be under the control and supervision of the licensee;

* * * * *

(b) * * *

(4) Whenever an intermediate relay station is in operation, appropriate observations shall be made at the receiving end of the STL or intercity relay circuits at intervals not exceeding 1 hour only by a person designated by and under control of the licensee and need not be a licensed operator under Part 13 (Commercial Radio Operators) of the Commission's rules and regulations.

* * * * *

(Sec. 318, 48 Stat. 1089, as amended by P.L. 86-609, 74 Stat. 363; 47 U.S.C. 318)

6. In § 74.564, the headnote is revised; paragraph designator (a) and paragraph (b) are deleted. As amended, § 74.564 reads as follows:

§ 74.564 **Posting of station licenses.**

The station license and any other instrument of authorization or individual order concerning the construction of the equipment or manner of operation of the station shall be posted so that all terms thereof are visible, in a conspicuous place in the room in which the transmitter is located: *Provided,* That, if the transmitter operator is located at a distance from the transmitter pursuant to § 74.533, the station license shall be posted in the above-described manner at the operating position.

7. Section 74.565 and the citation authority is amended to read as follows:

§ 74.565 **Operator requirements.**

An aural broadcast STL and intercity relay may be operated only by a person designated by and under the control of the licensee and need not be a licensed operator under Part 13 (Commercial Radio Operators) of the Commission's rules and regulations. Any adjustments or repairs shall be made by or under the immediate supervision of an operator holding a first or second license responsible for the maintenance and proper functioning of such aural broadcast STL or intercity relay as required by § 13.61(h) of the Commission's rules and regulations of this chapter.

(Sec. 318, 48 Stat. 1089, as amended by P.L. 86-609, 74 Stat. 363; 47 U.S.C. 318)

8. In § 74.734, paragraph (c) is amended to read as follows:

§ 74.734 **Unattended operation.**

* * * * *

(c) Unless the applicant specifically requests unattended operation and makes the showing required by paragraph (b) of this section, a person meeting the requirements of § 74.766 shall be on duty at the transmitter site whenever the station is operated.

9. In § 74.766, paragraph (a) and the citation authority at the end of this section, are amended to read as follows:

§ 74.766 **Operator requirements.**

(a) A television broadcast translator station may be operated only by a person designated by and under the control of the licensee and need not be a licensed operator under Part 13 (Commercial Radio Operators) of the Commission's rules and regulations.

* * * * *

(Sec. 318, 48 Stat. 1089, as amended by P.L. 86-609, 74 Stat. 363; 47 U.S.C. 318)

10. In § 74.866, the citation authority is amended to read as follows:

§ 74.866 **Operator requirements.**

* * * * *

(Sec. 318, 48 Stat. 1089, as amended by P.L. 86-609, 74 Stat. 363; 47 U.S.C. 318)

[FR Doc.72-16114 Filed 9-20-72;8:53 am]

[Docket No. 19511; FCC 72-821]

PART 73—RADIO BROADCAST SERVICES

Television Broadcast Stations in Vallejo-Fairfield and Sacramento, Calif.

First report and order. In the matter of amendment of § 73.606(b), *Table of Assignments,* Television Broadcast Stations (Vallejo-Fairfield and Sacramento, Calif.), Docket No. 19511, RM-1839, RM-1948.

1. This proceeding begun by notice of proposed rule making issued May 22, 1972 (FCC 72-428) proposed in part, the switching of UHF Channel 31 from Stockton to Sacramento, Calif., and dropping in UHF Channel 64 into Stockton, Calif. The Sacramento petitioner (Grayson Television Co., Inc.) currently has a construction permit to operate on UHF Channel 15 at Sacramento (Station KMUV(TV)), but because the present specified transmitter site is unsatisfactory, a new site is required. Thus, a television operation is not permitted under the rules because such operation at the newly specified

site will result in an increase in the operating limits on the use of the channels allocated to the land mobile services in the San Francisco-Oakland area by the so-called "Land Mobile" decision. See "First Report and Order, Docket No. 18261", 23 FCC 2d 325 (1970). In the notice, the Commission did not propose deletion of Channel 15 at Sacramento, but rather proposed prohibiting use at Sacramento for television purposes until further action by the Commission.

2. Camellia City Telecasters, Inc., licensee of Station KTXL(TV), Channel 40, Sacramento, Calif., in its initial comments, requested that Channel 15 be assigned to Merced, Calif., for a possible satellite operation together with a switch of other UHF channels at Fresno and San Luis Obispo, Calif., so that Channel 15 can be assigned in Merced. Camellia City did not object to the switch of Channel 31 from Stockton to Sacramento and the dropping in of Channel 64 at Stockton. Grayson, the petitioner in comments filed 1 day late (for which waiver of late filing is requested) incorporates its petition by reference, and reiterates and reaffirms the contentions and requests set forth therein. No other initial comments were filed, but reply comments were filed by the petitioner and by Capital Cities Broadcasting Corp., licensee of Station KFSN-TV, Fresno, Calif., Pappas Television Inc., permittee of UHF Station KMPH, Tulare, Calif., Retlaw Enterprises, Inc., licensee of UHF Station KJEO, Fresno, Calif., and McClatchy Newspapers, licensee of Station KMJ-TV, Fresno, Calif. The only comments and reply comments dealing with the Sacramento-Stockton proposed shift were by the petitioner. All the other reply comments dealt with the proposed Merced-Fresno-San Luis Obispo realignment. The petitioner objected strenuously to all motions for extensions of time and repeatedly requested action on the proposed switch of Channel 31 from Stockton to Sacramento and the related assignment of Channel 64 at Stockton.

3. We shall not act on Camellia's counterproposal or the Vallejo-Fairfield proposal (the other proposal set forth in the notice) at this time, but will only consider the shifting of Channel 31 from Stockton and the droppingin of Channel 64 at Stockton. The use of Channel 31 at Sacramento and Channel 64 at Stockton is in compliance with the Commission's minimum spacing requirements and all the other applicable technical rules. The assignment of Channel 31 to Sacramento will allow the permittee to construct a new UHF station on that channel on an outstanding construction permit held by petitioner since Channel 15 cannot be utilized for the reasons set forth in paragraph 1. Channel 64 at Stockton will replace an existing assignment to that city. We find these assignments of the channels to be in the public interest and they are adopted. We also find that the 1-day delay in the filing of the initial comments by Grayson to be inadvertent and did not result in any delay of the proceeding. The waiver of filing date will be granted and Grayson's comments will be accepted.

4. In view of the foregoing: *It is ordered*, That, effective October 31, 1972, pursuant to authority contained in sections 4(i), 303 (g) and (r), and 307(b) of the Communications Act of 1934, as amended, § 73.606(b) of the Commission's rules, the Television Table of Assignments, is amended to read as follows:

City	*Channel No.*
Sacramento, Calif.	3, *6, 10, 15,[1] 31, 40
Stockton, Calif.	13+, 58, 64

[1] Channel 15 will not be available for television use until further action by the Commission.

5. *It is further ordered*, That the request of Grayson Television Co., Inc. for waiver of the filing date set forth in the notice of proposed rule making is granted and the comments filed by Grayson Television Co., Inc., are accepted.

6. *It is further ordered*, That, the outstanding permit of Grayson Television Co., Inc., for the construction of Station KMUV(TV) on Channel 15 at Sacramento, Calif., is hereby modified to specify operation on Channel 31 in lieu of Channel 15, on the condition that permittee shall submit to the Commission all necessary information to comply with the applicable technical rules for modification of authorization to cover the construction of Station KMUV(TV) on Channel 31 at Sacramento, Calif.

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

Adopted: September 13, 1972.

Released: September 19, 1972.

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

[FR Doc.72-16113 Filed 9-20-72;8:50 am]

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

[FCC 72-825]

PART 76—CABLE TELEVISION SERVICE

Requirements Pending Applications and Pleadings

SEPTEMBER 14, 1972.

In its "Memorandum Opinion and Order on Reconsideration of the Cable Television Report and Order," FCC 72-530, 37 F.R. 13848 (1972), the Commission adopted a number of amendments to the cable television rules.

Several applicants for certificates of compliance have asked whether applications filed prior to the effective date of the amendments to the rules (July 14, 1972) must be amended to conform to the changes in the rules, and if so, to what extent.

The following revisions of the cable television rules appearing in the Reconsideration, supra, will be applied retroactively to March 31, 1972:

SECTIONS	
76.3.	76.54(a), (c), and (note).
76.5(a) (note).	76.57(a) (2).
76.7(a) and (h).	76.59(a) (5).
76.11(d).	76.59(b) (1).
76.13(a) (2), (6), and (9).	76.59(d) (1) and (2).
76.13(b) (1), (3), (5), (6), and (8).	76.61(a) (3).
76.13(c) (1), (2), (4), and (6).	76.61(b) (1).
76.25.	76.61(e) (1) and (2).
76.31(a) (3), (4), and (proviso).	76.251(a) (2).
76.51(b).	76.251(c).
76.53.	76.605(a) (5) and (12).
	76.609.

The following revisions of the cable television rules appearing in the "Reconsideration, supra.", will be applied to applications and pleadings filed on or after July 14, 1972:

SECTIONS	
76.7(b).	76.16(a), (b), and (c).
76.7(c) (3).	76.18.
76.13(a) (7).	76.20(a) and (b).
76.13(b) (2) and (7).	76.27.
76.13(c) (5).	

Sections 76.13 (a) (4), (b) (4), and (c) (3) were amended to include the requirement that a certificate applicant explain how he plans to comply with the origination cablecasting requirements of § 76.201. No showing of compliance with § 76.201 is required pending termination of the stay of the mandatory origination cablecasting requirement. In all other respects, § 76.13 (a) (4), (b) (4), and (c) (3) will be applied retroactively to March 31, 1972.

Petitions for interpretative rulings involving §§ 76.93 and 76.99 of the rules, as amended, have been filed. The Commission expects to rule on these petitions in the near future, and, thus, these sections have not been made subject on this notice.

Action by the Commission September 13, 1972. Commissioners Burch (Chairman), Johnson, H. Rex Lee, Wiley and Hooks.

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

[FR Doc.72-16120 Filed 9-20-72;8:50 am]

Title 49—TRANSPORTATION

Chapter X—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[Rev. S.O. 1110]

PART 1033—CAR SERVICE

Penn Central Transportation Co., et al. Required To Restore Service at 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 15th day of September 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 line between Wilkes-Barre and Sunbury, Pa., and its Buttonwood yard and adjacent facilities; that traffic formerly interchanged 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 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 ICC 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 restoration of a Wilkes-Barre interchange 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 and related matters (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 October 21, 1972.

(b) *It is further ordered*, That, effective at 12:01 a.m., September 18, 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 between Delaware and Hudson and Penn Central at Northumberland, 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 15, 1972, and, as to paragraph 1033.1110(b), shall expire at 11:59 p.m., October 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] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16123 Filed 9-20-72;8:50 am]

[S.O. 1111]

PART 1033—CAR SERVICE

Delaware and Hudson Railway Co. Authorized To Operate Over Tracks of Erie Lackawanna Railway Co.

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 15th day of September 1972.

It appearing, that because of track and bridge damage, as a result of a severe storm and flooding, the Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees (Penn Central), is unable to operate over its line between Buttonwood (Wilkes-Barre), Pa., and South Danville, Pa.; that 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 also rendered inoperable because of storm damage to Penn Central's Buttonwood yard and adjacent facilities; that a direct interchange between the said two railroads can be reestablished at Northumberland, Pa., by permitting the Delaware and Hudson Railway Co. (D&H) to operate over tracks of the Erie Lackawanna Railway Co., Thomas F. Patton and Ralph S. Tyler, Jr., trustees (EL) between Plymouth Junction, Pa., and Northumberland, Pa.; that the Commission is of the opinion that operation by the Delaware and Hudson Railway Co. (D&H) over tracks of the Erie Lackawanna Railway Co., Thomas F. Patton and Ralph S. Tyler, Jr., trustees (EL) is necessary in the interest of the public and the commerce of the people; that notice and public procedure herein are impractical and contrary to the public interest; and that good cause exists for making this order effective upon less than 30 days' notice.

It is ordered, That:

§ 1033.1111 Service Order No. 1111.

(a) *Delaware and Hudson Railway Co. authorized to operate over tracks of Erie Lackawanna Railway Co., Thomas F. Patton and Ralph S. Tyler, Jr., trustees.* The Delaware and Hudson Railway Co. be, and it is hereby authorized to operate over tracks of the Erie Lackawanna Railway Co., Thomas F. Patton and Ralph S. Tyler, Jr., trustees, between Plymouth Junction, Pa., and Northumberland, Pa.

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

(c) *Rates applicable.* Inasmuch as this operation by the Delaware and Hudson Railway Co. over tracks of the Erie Lackawanna Railway Co., Thomas F. Patton and Ralph S. Tyler, Jr., trustees, is deemed to be due to carrier's disability, the rates applicable to traffic moved by the Delaware and Hudson Railway Co., over these tracks of the Erie Lackawanna Railway Co., Thomas F. Patton and Ralph S. Tyler, Jr., trustees, shall be the rates which were applicable on the shipments at the time of shipment as originally routed.

(d) *Effective date.* This order shall become effective at 11:59 p.m., September 15, 1972.

(e) *Expiration date.* The provisions of this order shall expire at 11:59 p.m., October 21, 1972, unless otherwise modified, changed, or suspended by order of this Commission.

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

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

By the Commission, Railroad Service Board.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16124 Filed 9-20-72;8:51 am]

Title 50—WILDLIFE AND FISHERIES

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

PART 32—HUNTING

Ridgefield National Wildlife Refuge, Wash.

The following special regulations are issued and are effective on date of publication in the FEDERAL REGISTER (9–21–72).

General conditions: Hunting shall be in accordance with applicable State regulations. No vehicle travel is permitted except on designated roads. Portions of the refuge which are open to hunting are designated by signs and delineated on maps available at refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 3737, Portland, OR.

§ 32.12 Special regulations; migratory game birds; for individual wildlife refuge areas.

Migratory game birds except doves and pigeons may be hunted on the Ridgefield National Wildlife Refuge, Post Office Box 467, Ridgefield, WA 98642.

Special conditions: (1) Hunting will be permitted on Wednesdays, Saturdays, Sundays, and Federal holidays during the Washington State waterfowl season.

(2) Hunters must use only designated roads and parking areas.

(3) Overnight camping is not permitted on the refuge.

§ 32.22 Special regulations; upland game; for individual wildlife refuge areas.

Upland game birds may be hunted on the Ridgefield National Wildlife Refuge, Post Office Box 467, Ridgefield, WA 98642.

Special conditions: (1) Hunting will be permitted on Wednesdays, Saturdays, Sundays, and Federal holidays during the Washington State waterfowl season.

(2) Hunters must use only designated roads and parking areas.

(3) Overnight camping is not permitted on the refuge.

The provisions of these special regulations supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through June 30, 1973.

L. EDWARD PERRY,
Regional Director, Bureau of Sport Fisheries and Wildlife.

SEPTEMBER 15, 1972.

[FR Doc.72-16050 Filed 9-20-72;8:46 am]

PART 32—HUNTING

National Elk Refuge, Wyo

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER (9–21–72).

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

WYOMING

NATIONAL ELK REFUGE

Public hunting of elk on the National Elk Refuge, Wyo., is permitted from October 21 through November 10, 1972, only on the area designated by signs as open to hunting. This open area, comprising 18,247 acres, is delineated on maps available at refuge headquarters, Jackson, Wyo., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State regulations covering the hunting of elk subject to the following special conditions:

(1) A special permit is required in addition to a valid 1972 State elk hunting license. Forty special permits shall be issued to applicants by drawing at refuge headquarters at 12:30 p.m. on Friday, October 20, 1972, and every Friday thereafter through November 3, 1972. These permits are good for the Saturday through Monday period following each Friday drawing. Forty special permits shall be issued also by drawing at refuge headquarters at 12:30 p.m. on Monday, October 23, 1972, and every Monday thereafter through November 6, 1972. These permits are good for the Tuesday through Friday period following each Monday drawing.

(2) Access to the refuge shall be only through the main gate east of refuge headquarters in Jackson.

(3) Motorized vehicle travel in the hunting area is restricted to the roads designated by appropriate signs and delineated on maps available at refuge headquarters. This is interpreted to mean that motor vehicles may not leave designated roadways for the purpose of loading or picking up a kill.

(4) Persons without permits may accompany special permit holders in the same vehicle but only permit holders are allowed to possess a firearm.

(5) Persons successful in drawing a permit may not draw again in succeeding drawings.

(6) Permits will be revoked in the event of a violation of refuge regulations and violations can result in denial of future privileges as per the Code of Federal Regulations.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through November 10, 1972.

DON E. REDFEARN,
Refuge Manager, National Elk Refuge, Jackson, Wyo.

SEPTEMBER 15, 1972.

[FR Doc.72-16051 Filed 9-20-72;8:46 am]

PART 32—HUNTING

Pungo National Wildlife Refuge, N.C.

The following special regulations are issued and are effective on the date of publication in the FEDERAL REGISTER (9–21–72).

§ 32.32 Special regulations; big game, for individual wildlife refuges.

NORTH CAROLINA

PUNGO NATIONAL WILDLIFE REFUGES

Public hunting of white-tailed deer on the Pungo National Wildlife Refuge, N.C., is permitted on all areas not designated by signs as closed to hunting. This open area, comprising 7,000 acres, is delineated on maps available at the refuge headquarters, Plymouth, N.C., and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, Peachtree-Seventh Building, Atlanta, Ga. 30323. Hunting shall be in accordance with all applicable State regulations governing the hunting of white-tailed deer, subject to the following special conditions:

(1) Deer may be taken from sunrise to sunset during the following open seasons: Bow and arrow (either sex)—September 25 to October 13, 1972 excluding Saturdays and Sundays; gun (bucks only) October 16–21, 1972; gun (antlerless deer)—October 20, 1972.

(2) Bag limit: One deer per day, two per season.

(3) Weapons: Archery equipment—same as provided for in State regulations. Shotguns 20 gauge or larger may be used with rifled slugs or shot not smaller than No. 4 buckshot.

(4) Permits are required for the gun hunts. Six hundred 2-day permits will be issued. Permittees will be selected in a drawing from applications received at the refuge prior to September 28, 1972.

(5) Dogs and rifles are prohibited.

(6) All deer harvested must be checked out at the refuge subheadquarters on Coulbourn Road the day they are killed and prior to leaving the hunting area.

(7) Camping and fires are prohibited.

(8) No hunting permitted within 200 yards of the refuge subheadquarters.

(9) Motor vehicular traffic will be confined to established roads.

(10) Guns must be unloaded and bows unstrung while being transported in a motor vehicle.

(11) Hunters under 18 years of age must be accompanied by an adult.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through October 21, 1972.

JACK E. HEMPHILL,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

SEPTEMBER 13, 1972.

[FR Doc.72-16081 Filed 9-20-72;8:47 am]

Title 6—ECONOMIC STABILIZATION

Chapter III—Price Commission

PART 301—RENT STABILIZATION

Elimination of Certain Capital Improvements from Eight Percent Ceiling on Certain Rent Increases

The purpose of this amendment is to eliminate the requirement in § 301.208 that capital improvements begun before May 31, 1972 are to be included in the 8 percent ceiling imposed on certain rent increases.

Section 301.208 requires certain lessors to give their lessees two optional leases one of which is a lease of 1 year with a rent increase of not greater than 8 percent of the rent for that residence for May 1971. This section does not apply to those lessors if the rent increase otherwise allowed by the regulations is less than 8 percent greater than the rent charged for that residence for May 1971 or if the lessor voluntarily increases the rent for that residence in an amount less than 8 percent of the rent charged for that residence for May 1971. Expressly excluded in computing the 8 percent amount, however, were increases attributable to those allowable costs provided by § 301.101(a)(2), increases in capital improvements under § 301.101(a)(3) (begun before June 1, 1972), and increases in property or services under § 301.101(a)(4). Increases in allowable costs were excluded from the ceiling because they are not subject to the controls imposed under the Economic Stabilization Program; increases in property or services were excluded because they can only be imposed if a majority of the tenants affected agree; and increases in capital improvements begun before June 1, 1972 were excluded because such improvements are made solely at the lessor's discretion and rents can be increased, as a result by 10 percent without prior approval whatsoever, thus negating the effect of the 8 percent ceiling.

The Price Commission has determined that May 31, 1972, as a cut-off date for further capital improvements which may be excluded from the prescribed ceiling on certain rent increases is no longer realistic and may deter the continued maintenance and upgrading of the housing stock of the country. Accordingly, the rule as adopted herein provides that increases due to capital improvements are not required to be included in computing the 8 percent ceiling.

Because the purpose of this amendment is to provide immediate guidance and information as to the rent stabilization program, and for its effective implementation, it is hereby found that notice and public procedure thereon is impracticable and that good cause exists for making it effective less than 30 days after publication 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. 111640, 37 F.R. 1213, Jan. 27, 1972; Cost of Living Council Order No. 4, 36 F.R. 20202, Oct. 16, 1971)

In consideration of the foregoing, Part 301 of Title 6 of the Code of Federal Regulations is amended as set forth below, effective September 20, 1972.

Issued in Washington, D.C. on September 20, 1972.

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

1. In § 301.208, the first sentence of the flush paragraph appearing after paragraph (a)(2) and the first sentence of paragraph (b)(2) are amended to read as follows:

§ 301.208 Residences with leases of greater than 1 year's duration entered into before May 15, 1971.

(a) *Applicability.* * * *

This section does not apply in any case in which the monthly rent charged by the lessor, or otherwise authorized under this part, including any increases provided by § 301.101(a)(2), (3), or (4) is (or will be in the case of any lease entered into after July 1, 1972) less than 8 percent greater than the rent charged for the most recent rent payment interval before May 15, 1971. * * *

(b) *Determination of base rent.* * * *

(2) As specified by the lessee, a lease of 1 year or a lease for a period equal to the unexpired portion of the lease entered into by the lessor and lessee before July 1, 1972, if that portion is less than 1 year, providing for a monthly rent which, including the amount of the increase resulting from the application of § 301.206, the allowable rent increase provided by § 301.101(a)(1) but excluding any cost increases provided by § 301.101(a)(2), (3) or (4) does not exceed the monthly rent charged for the most recent rent payment interval before May 15, 1971, plus 8 percent. * * *

[FR Doc.72-16215 Filed 9-20-72;11:01 am]

Chapter IV—Internal Revenue Service

PART 401—PROCEDURAL RULES RELATING TO ECONOMIC STABILIZATION MATTERS

Current Mailing Address, Stabilization Division, Office of Chief Counsel for the Internal Revenue Service

In order to advise the public of the current mailing address of the Stabilization Division of the Office of the Chief Counsel for the Internal Revenue Service, the Internal Revenue Service procedural rules relating to economic stabilization (6 CFR Part 401) are amended as follows:

PARAGRAPH 1. Section 401.607 is revised to read as follows:

§ 401.607 Time and place for filing request for reconsideration.

Any request for reconsideration referred to in § 401.606 shall be filed within 30 days of the service of the ruling referred to in such section with the Office of the Chief Counsel for the Internal Revenue Service, Attention: Chief, Appeals and Review Branch, Stabilization Division, CC:S:A, 2025 M Street NW., Washington, DC 20226.

PAR. 2. Section 401.611 is revised to read as follows:

§ 401.611 Copy of appeal required when appeals are taken to the Council, Board, or Commission.

Any person qualified under § 401.606 to request a reconsideration may file an appeal with the Cost of Living Council, Pay Board, or Price Commission without seeking a reconsideration or after his request for reconsideration is denied in whole or in part. If an appeal is filed without the seeking of a reconsideration, the right to such reconsideration is forfeited. A copy of an appeal shall in all cases be sent to the Office of the Chief Counsel for the Internal Revenue Service, Attention: Chief, Appeals and Review Branch, Stabilization Division, CC:S:A, 2025 M Street NW., Washington, DC 20226.

Because the public cannot be adversely affected by the subject matter of this regulation, it is found unnecessary to issue such regulation with notice and public procedure under section 553(b) of

title 5 of the United States Code or subject to the effective date limitation of section 533(d) of such title.

(5 U.S.C. 552(b)).

JOHNNIE M. WALTERS,
Commissioner of Internal Revenue.

LEE J. HENKEL,
Chief Counsel, Internal Revenue Service.

[FR Doc.72-16076 Filed 9-20-72;8:51 am]

Rulings—Internal Revenue Service, Department of the Treasury

[Cost of Living Council Ruling 1972-113]

LUMBER COMPANY PERFORMING THE FUNCTIONS OF A GENERAL CONTRACTOR

Cost of Living Council Ruling

Facts. X lumber company, on May 1, 1972, hires Y subcontractor to do a remodeling job on Z's home. X lumber company does not perform any of the actual on-job labor itself; however, it performs the functions of a general contractor in that it:

1. Submits a bid estimate to Z;
2. Obtains and secures Z's commitment to perform the work;
3. Obtains Y subcontractor to perform the remodeling functions;
4. Provides materials for that function;
5. Collects and retains all moneys received as payment for such function;
6. Pays Y subcontractor on an hourly basis for all labor performed.

Issue. Is X lumber company engaged in construction as that term is used for purposes of determining qualification for the small business exemption?

Ruling. Yes. Executive Order No. 11588, 3 CFR Part 147 (1972 Comp.), provides that:

> (T)he term "construction" shall mean for the purposes of this order (1) all work relating to the erecting, construction, altering, remodeling, painting, or decorating of installations such as buildings, bridges, highways, and the like, when performed on a contract basis * * *.

The above remodeling job is performed on a contract basis between an independent contractor and his subcontractor; therefore, X lumber company is engaged in construction as that term is used in the economic stabilization regulations, 6 CFR 101.51(a)(2)(iii)(1972). Hence, the company does not qualify for the small business exemption.

This ruling has been approved by the General Counsel of the Cost of Living Council.

Dated: September 18, 1972.

LEE H. HENKEL, Jr.,
Chief Counsel,
Internal Revenue Service.

Approved: September 18, 1972.

SAMUEL R. PIERCE, Jr.,
General Counsel,
Department of the Treasury.

[FR Doc.72-16077 Filed 9-20-72;8:51 am]

[Cost of Living Council Ruling 1972-114]

DEFINITION—CUSTOM MADE LEATHER GOODS

Cost of Living Council Ruling

Facts. A wishes to obtain a leather upholstered chair, custom made to his individual order. B makes the chair for A and the total cost to B is comprised of one-third for the nonleather components (filling and frame which consists of wood, nuts, bolts, etc.) and two-thirds for the leather components.

Issue. Is B's sale to A of the custom-made leather upholstered chair exempt from the controls of the Economic Stabilization Program?

Ruling. No. Economic Stabilization Regulation § 101.34(c)(1)(i) exempts from the wage and price controls leather goods when custom made to individual order. 6 CFR 101.34 (1972).

A product cannot be considered a "leather good" if a major part of the product consists of nonleather components. In a situation such as this where the nonleather components comprise one-third of the cost of the final product, the nonleather components are a major part of the final product; therefore, the custom made leather upholstered chair is not exempt from the price controls.

This ruling has been approved by the General Counsel of the Cost of Living Council.

LEE H. HENKEL, Jr.,
Chief Counsel,
Internal Revenue Service.

Approved: September 18, 1972.

SAMUEL R. PIERCE, Jr.,
General Counsel,
Department of the Treasury.

[FR Doc.72-16078 Filed 9-20-72;8:51 am]

[Cost of Living Council Ruling 1972-115]

SMALL BUSINESS EXEMPTION

Cost of Living Council Ruling

Facts. The ABC Electrical Supply Co. is engaged in the retail sale of electrical supplies and associated products. The firm has 12 employees, none of which are covered by a master employment contract. Although the ABC Electrical Supply Co. is not generally in the construction business it occasionally receives requests for "on-site" electrical work in connection with materials it sells. The company had eight or nine such requests during 1971 and sent two employees to perform the requested work in each instance. The company has received no such requests yet in 1972.

Issue. Whether a firm that was not engaged in construction work on the effective date of Economic Stabilization Regulations, 6 CFR 101.51(a)(2)(iii)(1972), but which was engaged in construction work previously, qualifies for the small business exemption?

Ruling. Section 101.51(a)(2)(iii), states in part that the small business exemption shall not be applicable to "a firm which on the effective date of this regulation was engaged in construction * * *." In determining whether or not a given firm was "engaged in construction" on the effective date of this regulation, the controlling factor is whether or not such firm held itself out to be in the construction business on that date. If so, the firm would be considered to be "engaged in construction" notwithstanding the fact that it was not physically engaged in construction activity on the effective date of the regulations.

In the above fact situation, if the ABC Electrical Supply Co. ceased to hold itself out as a firm engaging in construction activity prior to May 2, 1972, it would not be considered as a company "engaged in construction" and would qualify for the small business exemption. However, if ABC held itself out as ready to engage in construction on the effective date of the regulations, but had just not received any business, it would be "engaged in construction" and thus not eligible for the small business exemption.

This ruling has been approved by the General Counsel of the Cost of Living Council.

Dated: September 15, 1972.

LEE H. HENKEL, Jr.,
Chief Counsel,
Internal Revenue Service.

Approved: September 15, 1972.

SAMUEL R. PIERCE, Jr.,
General Counsel,
Department of the Treasury.

[FR Doc.72-16079 Filed 9-20-72;8:51 am]

Title 7—AGRICULTURE

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

[Valencia Orange Reg. 410]

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

Limitation of Handling

§ 908.710 Valencia Orange Regulation 410.

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

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on September 19, 1972.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period September 22 through September 28, 1972, are hereby fixed as follows:

(i) District 1: 403,000 cartons;

(ii) District 2: 372,000 cartons;

(iii) District 3: Unlimited.

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

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

Dated: September, 1972.

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

[FR Doc.72–16227 Filed 9–20–72;11:25 am]

PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

Order Amending the Order, as Amended, Regulating Handling

It is hereby ordered that on and after the effective date hereof all handling of raisins produced from grapes grown in California shall be in conformity to, and in compliance with, the Order Regulating the Handling of Raisins Produced from Grapes Grown in California, as amended (Order No. 989, as amended; 7 CFR Part 989), and as further amended by this order. All of the findings, determinations, terms, and conditions of the "Order Amending the Order as Amended, Regulating the Handling of Raisins Produced from Grapes Grown in California" which was annexed to and made a part of the decision of the Assistant Secretary of Agriculture, August 24, 1972 (F.R. Doc. 72–14324; 37 F.R. 17057), with respect to the proposed amendment of the amended marketing agreement and order regulating the handling of such raisins shall be, and the same hereby are, the findings, determinations, terms, and conditions of this order as if set forth in full herein. *It is hereby further ordered,* That, for convenient reference, there be set forth hereinafter the aforesaid amendatory order, together with the aforesaid findings and determinations as herein supplemented.

§ 989.0 **Findings and determinations.**

(a) *Previous findings and determinations.* The findings and determinations hereinafter set forth are supplementary, and in addition, to the findings and determinations made in connection with the issuance of the order and each previously issued amendment thereof. Except the finding as to the base period for the parity computation, and except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein, all of said prior findings and determinations are hereby ratified and affirmed. (For prior findings and determinations see 14 F.R. 5136; 20 F.R. 6435; 21 F.R. 8182; 25 F.R. 12814; 29 F.R. 9482; 32 F.R. 12157.)

(b) *Findings upon the basis of the hearing record.* Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674), and the applicable rules of practice and procedure, as amended (7 CFR Part 900), a public hearing was held in Fresno, Calif., on March 28–29, 1972, on a proposed amendment of the marketing agreement, as amended, and Order No. 989, as amended (7 CFR Part 989), regulating the handling of raisins produced from grapes grown in California. On the basis of the evidence adduced at the hearing, and the record thereof, it is found that:

(1) The said order, as amended and as hereby further amended, and all the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The said order, as amended and as hereby further amended, regulates the handling of raisins produced from grapes grown in California, in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, the marketing agreement and order upon which hearings have been held;

(3) There are no differences in the production and marketing of raisins in the production area covered by the order, as amended and as hereby further amended, which require different terms applicable to different parts of such area;

(4) The said order, as amended and as hereby further amended, is limited in its application to the smallest regional production area which is practicable, consistently with carrying out the declared policy of the act, and the issuance of several orders applicable to subdivisions of the production area would not effectively carry out the declared policy of the act; and

(5) All handling of raisins produced from grapes grown in California, is in the current of interstate or foreign commerce, or directly burdens, obstructs, or affects such commerce.

(c) *Additional findings.* It is hereby further found, for the reasons hereinafter set forth, that good cause exists for making the provisions of the amendatory order effective upon publication in the FEDERAL REGISTER and not postponing the effective time until 30 days after such publication (5 U.S.C. 553). The 1972–73 crop year began September 1, 1972, and the changes in the amendatory order should become effective promptly so as to be applicable to operations during the 1972–73 crop year and before handlers begin handling 1972 crop raisins in volume. The changes would simplify and improve program operations, and some will require implementation by rule making. The text of the amendatory order has been made available to raisin handlers, and they require no additional time beyond the date of publication to comply therewith.

(d) *Determinations.* It is hereby determined that:

(1) The "Marketing Agreement, as Amended, Regulating the Handling of Raisins Produced from Grapes Grown in California," upon which the aforesaid public hearing was held, has been signed by handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping raisins covered by the said order, as amended and as hereby further amended) who, during the period September 1, 1971 through July 31, 1972, handled not less than 50 percent of the volume of such raisins covered by the

said order, as amended and as hereby further amended; and

(2) The issuance of this amendatory order, amending the aforesaid order, as amended, is favored or approved by at least two-thirds of the producers who participated in a referendum on the question of its approval and who during the period September 1, 1971, through July 31, 1972 (which has been determined to be a representative period), have been engaged within the State of California in the production for market of grapes which were sun-dried or dehydrated by artificial means until they became raisins, such producers having also produced for market at least two-thirds of the volume of such commodity represented in the referendum.

It is therefore ordered, That, on and after the effective date hereof, all handling of raisins produced from grapes grown in California, shall be in conformity to, and in compliance with, the terms and conditions of the said order, as amended, and as hereby further amended as follows:

1. Section 989.5 is revised to read as follows:

§ 989.5 Raisins.

"Raisins" means grapes of any variety grown in the area, from which a significant part of the natural moisture has been removed by sun-drying or artificial dehydration, either prior to or after such grapes have been removed from the vines. Removal of a significant part of the natural moisture means removal which has progressed to the point where the grape skin develops wrinkles characteristic of wrinkles in fully formed raisins.

2. Section 989.15 is revised to read as follows:

§ 989.15 Handler.

"Handler" means: (a) Any processor or packer; (b) any person who places, ships, or continues natural condition raisins in the current of commerce from within the area to any point outside thereof; (c) any person who delivers off-grade raisins, other failing raisins or raisin residual material to other than a packer or other than into any eligible non-normal outlet; or (d) any person who blends raisins: *Provided,* That blending shall not cause a person not otherwise a handler to be a handler on account of such blending if he is either: (1) A producer who, in his capacity as a producer, blends raisins entirely of his own production in the course of his usual and customary practices of preparing raisins for delivery to processors, packers, or dehydrators; (2) a person who blends raisins after they have been placed in trade channels by a packer with other such raisins in trade channels; or (3) a dehydrator who, in his capacity as a dehydrator, blends raisins entirely of his own manufacture.

3. Immediately after § 989.26b, a new § 989.26c is added reading as follows:

§ 989.26c Changes in dehydrator representation.

The Secretary, on recommendation of the committee, may change the number of dehydrator members on the board or may discontinue dehydrator representation on the board. In making any such change or discontinuing dehydrator representation, consideration shall be given to such factors as total number of dehydrators currently operating, the number of dehydrators operated by raisin packers, and the extent to which the interest of dehydrators is adequately served by other members on the board.

4. Immediately after § 989.39b, a new § 989.39c is added reading as follows:

§ 989.39c Changes in dehydrator representation.

The Secretary, on recommendation of the committee, may change the number of dehydrator members on the committee or may discontinue dehydrator representation on the committee. In making any such change or discontinuing dehydrator representation, consideration shall be given to such factors as total number of dehydrators currently operating, the number of dehydrators operated by raisin packers, and the extent to which the interest of dehydrators is adequately served by other members on the committee.

5. Paragraph (a) and that part of paragraph (b) which precedes subparagraph (1) thereof, of § 989.54 are revised to read as follows:

§ 989.54 Marketing policy.

(a) *Desirable free tonnage.* On or before September 10 of each crop year, the committee shall review shipment data, inventory data, and other matters relating to the quantity of raisins of any varietal type which should be made available as free tonnage for such varietal type during the crop year. Such quantity for any varietal type of raisin for which a free tonnage percentage may be designated shall be referred to as the desirable free tonnage for such varietal type and shall be recommended by the committee to the Secretary. Whenever the Secretary finds, from the recommendation and supporting information supplied by the committee, or from other avaliable information, that to designate a desirable free tonnage for any varietal type of raisin for a crop year would tend to effectuate the declared policy of the act, he shall designate such desirable free tonnage.

(b) *Free and reserve percentages.* On or before October 5 of each crop year (except that this date may be extended by the committee not more than 5 days if warranted by a late crop) the committee shall submit to the Secretary an estimate of raisin production of any varietal type for which the committee recommended a desirable free tonnage. If the committee determines that a field price is firmly established on any varietal type of raisin for which it has recommended a desirable free tonnage, it shall recommend a preliminary free tonnage percentage to the Secretary which, when applied to the estimated production of that varietal type, would release 85 percent of the desirable free tonnage for such varietal type. If the committee determines that a field price is not firmly established, it shall recommend a preliminary free tonnage percentage to the Secretary which would release 65 percent of the desirable free tonnage for such varietal type. No later than February 15, the committee shall recommend to the Secretary a free tonnage percentage which will tend to release the full desirable free tonnage designated for any varietal type. Prior to February 15, interim changes of percentages may be recommended by the committee to the Secretary to release less than the full desirable free tonnage designated for any varietal type. The difference between any free tonnage percentage designated and 100 percent shall be the reserve tonnage percentage. In developing its free and reserve percentages for any varietal type, the committee shall consider and report to the Secretary on the following factors:

* * * * *

6. Section 989.58(a) is revised to read as follows:

§ 989.58 Natural condition raisins.

(a) *Regulation.* No handler shall acquire or receive natural condition raisins which fail to meet the minimum grade and condition standards as set forth in § 989.97 (Exhibit B) or as later changed and then in effect: *Provided,* That a handler may receive raisins for inspection, may receive off-grade raisins for reconditioning, and may receive or acquire off-grade raisins for use in eligible non-normal outlets: *And provided further,* That a handler may acquire natural condition raisins which exceed a tolerance established for maturity under a weight dockage system established pursuant to rules and regulations recommended by the committee and approved by the Secretary. Nothing contained in this paragraph shall apply to the acquisition or receipt of natural condition raisins of a particular varietal type for which minimum grade and condition standards are not applicable or then in effect pursuant to this part.

* * * * *

7. In § 989.59, a proviso is added at the end of paragraph (a), the third and fourth sentences of paragraph (f) are revised, and paragraph (g) is revised, to read as follows:

§ 989.59 Regulation of the handling of raisins subsequent to their acquisition by handlers.

(a) *Regulation.* * * *

And provided further, That a handler may grind raisins, which do not meet the minimum grade standards for packed raisins because of mechanical damage or sugaring, into a raisin paste.

* * * * *

(f) * * * The committee shall establish, with the approval of the Secretary, such rules and procedures as may be necessary to insure adequate control over the off-grade raisins, other failing raisins, and raisin residual material subject to this paragraph. Such rules may include a requirement that the disposition and use of all or any class of off-grade raisins, other failing raisins, or raisin residual material be confined to the area. * * *

(g) *Exemption of experimental and speciality packs.* The committee may

establish, with the approval of the Secretary, rules and procedures providing for the exemption of raisins in experimental and specialty packs from one or more of the requirements of the minimum grade standards of this section, together with the inspection and certification requirements if applicable.

8. Section 989.60 is revised by designating the current provisions thereof as paragraph (a) and adding a new paragraph (b) to read as follows:

§ 989.60 Exemption.

* * * * *

(b) The committee may establish, with the approval of the Secretary, such rules and procedures as may be necessary to exempt from any or all regulations raisins produced in southern California (i.e., the counties of Riverside, Imperial, San Bernardino, Ventura, Orange, Los Angeles, and San Diego) and disposed of for distillation, livestock feed, or by export in natural condition to Mexico.

9. Paragraphs (a), (c), and (f) and subparagraphs (1) and (2) of paragraph (b) of § 989.66 are revised to read as follows:

§ 989.66 Reserve tonnage generally.

(a) The standard raisins acquired by a handler which are designated as reserve tonnage and reserve tonnage transferred to a handler by the committee shall be held by him for the account of the committee and subject to the applicable restrictions of this part.

(b) (1) Each handler shall hold in storage all reserve tonnage acquired by him and all reserve tonnage transferred to him by the committee until he has been relieved of such responsibility by the committee either by delivery to the committee or otherwise. Such handler shall store such reserve tonnage raisins in natural condition without addition of moisture and in such manner as will maintain the raisins in the same condition as when he acquired them, except for normal and natural deterioriation and shinkage, and except for loss through fire, acts of God or other conditions beyond the handler's control: *Provided,* That in the case of Layer Muscat raisins, the committee may permit handlers to satisfy the applicable reserve tonnage obligations with residual Muscat raisins obtained by them in layering operations subject to such safeguards as it may prescribe.

(2) Reserve tonnage acquired by a handler or transferred to a handler by the committee shall be stored separate and apart from other raisins to such extent and identified in such manner as the committee shall specify in its rules and procedures with the approval of the Secretary.

* * * * *

(c) Each handler shall, at all times, hold in his possession or under his control reserve tonnage referable to his acquisitions of standard raisins and reserve tonnage transferred to him by the committee, less any quantity of such reserve tonnage released to him by a change of percentages, delivered by him pursuant to instructions of the committee, or sold to him by the committee.

* * * * *

(f) Handlers shall be compensated for receiving, storing, fumigating, handling, and inspection of that tonnage of reserve raisins determined by the reserve percentage of a crop year and held by them for the account of the committee, in accordance with a schedule of payments established by the committee and approved by the Secretary. A box rental shall be paid by the committee to producers or handlers for boxes used in storing reserve tonnage raisins beyond the crop year of acquisition in accordance with a rental schedule established by the committee and approved by the Secretary. The handler compensation shall be reviewed annually and shall be paid, as to the amount determined to be earned and unpaid, as soon as practicable after the end of the second quarter of the crop year and quarterly thereafter. Any handler may request the committee, by registered or certified mail, at any time after June 1 of a crop year to remove or relocate reserve tonnage raisins of the current crop year which remain in his possession. At any time during a crop year, a handler may request removal or relocation of reserve tonnage of a prior crop year. In each instance, he may request that the committee provide the necessary containers for any such removal or relocation. When so requested as to current crop year raisins, the committee shall make the removal or relocation, the availability of containers, storage space and time of request permitting, by September 15 of the subsequent crop year, and as to raisins of the prior crop year, within 30 days, supplying the necessary containers if so requested. If the committee removes or relocates reserve raisins of the current crop year pursuant to a handler's request, and such raisins are released to him by September 15 of the subsequent crop year, the handler shall reimburse the committee for any costs incurred by it in such removal or relocation. If any handler requests removal or relocation of reserve raisins, the committee shall immediately give notice thereof to the Secretary.

* * * * *

10. In § 989.67: The proviso in paragraph (a); paragraph (c); subparagraphs (1), (2), (3), and (4) of paragraph (d); and paragraph (j) are revised to read as follows:

§ 989.67 Disposal of reserve raisins.

(a) * * *: *Provided,* That whenever the Secretary finds, based upon a recommendation of the committee, or on the basis of information otherwise available to him that because of national emergency, crop failure, an insufficient supply of reserve tonnage for export, or other major change in economic conditions, retention of reserve tonnage raisins carried over is warranted, the foregoing requirements as to disposal shall not apply and such raisins may be disposed of in any outlet recommended by the committee and approved by the Secretary.

* * * * *

(c) The committee shall sell reserve raisins to handlers for export sale to countries on a list established by the Secretary, on the basis of the recommendation of the committee or from other available information. The list of countries shall be reviewed by the committee annually when it reviews matters relating to the desirable free tonnage, and shall recommend any changes in the list to the Secretary for approval. No country may be removed from the list for the purpose of permitting direct sale by the committee unless a finding is made by the committee and approved by the Secretary, that such removal and subsequent direct sale by the committee shall not lead to disruption of sale of reserve tonnage raisins by handlers in other countries on the list, and that although handlers have been able to offer reserve tonnage raisins at competitive prices to the country to be so removed, there remains an unfilled demand in such country which has not been supplied by handlers and which could be supplied by the committee at the same prices by means of direct sale.

(d) (1) Reserve tonnage raisins shall be sold to handlers at prices and in a manner intended to maximize producer returns and achieve complete disposition of such raisins by or before November 1 of the subsequent crop year. The committee may pay the cost of transporting reserve tonnage from one handler to another and in the event a handler has more than one plant, the committee may pay the cost of transporting reserve tonnage to the handler's plant of its choice. In each offer or reoffer of reserve tonnage raisins for export, the committee may include a quantity of raisins not to exceed 2 percent of the total tonnage offered in such offer or reoffer, which it may sell to handlers whose regular allocation provides insufficient tonnage to fill a containerized freight shipping container: *Provided,* That such sale may be made only when the remaining portion of a handler's regular allocation will fill at least 50 percent of such container and shall be made to a handler only one time in each offer or reoffer of reserve tonnage raisins. No offer or reoffer shall be made until 5 days (exclusive of Saturdays, Sundays, and holidays) have elapsed from the time it files with the Secretary complete information as to varietal type, quantity, and price involved in such offer or reoffer, and the Secretary may disapprove the offer or reoffer or any term thereof: *Provided,* That at any time prior to the expiration of the 5-day period, the offer or reoffer may be made to handlers upon the committee receiving from the Secretary notice that he does not disapprove the making of the offer or reoffer. Subject to the same conditions as are set forth in the preceding sentence with respect to the making of such offer or reoffer, the committee may withdraw an offer or reoffer to sell reserve tonnage raisins to handlers or may extend the offer or reoffer period but not when such extension would deprive one or more handlers of an opportunity to purchase raisins. If the committee includes in its terms of sale

the minimum packer resale prices (effective pursuant to provisions of its export sales agreement with packers) it shall review annually the costs which determine the spread between the committee's sale price of natural condition raisins and the packer's resale price of packed raisins and make such adjustments as it concludes are appropriate.

(2) Except for the final offer of the reserve tonnage from a crop year, an offer of reserve tonnage raisins for export shall provide for a specific tonnage. Each handler's share of the reserve tonnage offered prior to November 1 of any crop year shall be determined as the same proportion of the quantity offered that the free tonnage raisins acquired by him during the preceding crop year is of the free tonnage raisins acquired by all handlers during the preceding crop year who remain handlers. If reserve tonnage raisins have been removed by the committee from a handler's premises pursuant to § 989.66(f), such handler's allocation of reserve pool offers subsequent to such removal and prior to November 1 of the following crop year shall be reduced by the percentage such removed reserve tonnage is of the total reserve tonnage acquired by such handler in the crop year. Subsequent to October 31, each handler's share shall be determined as the same proportion of the quantity offered that the free tonnage raisins acquired by the handler during the then current crop year is of the total free tonnage raisins acquired by all handlers during the then current crop year. With respect to any offer other than the initial offer, each handler's share of the total quantity offered as of that date (the then current offer plus all prior offers of that crop year) shall first be determined by the appropriate formula. His share of the current offer shall then be determined by subtracting from his share of the total quantity offered, the total of his share of prior offers from the beginning of the crop year. If any handler did not acquire raisins during the preceding crop year, the basis for his share of any quantity of reserve tonnage raisins offered prior to November 1 shall be his acquisitions of free tonnage raisins during the then current crop year. The current free tonnage acquisitions of all such new handler shall, for the purposes of determining the shares of all handlers prior to November 1, be added to the total acquisitions of free tonnage raisins during the preceding crop year of all handlers in business at the time the offer is made.

(3) With respect to any offer of reserve tonnage for sale to handlers for resale in export, the committee may provide that any such tonnage unpurchased at the end of the share reservation period will be reoffered to handlers without regard to shares and that approval for handlers' applications for purchase may be made in the same order in which the applications are received by the committee. Such reoffer may be made by the committee at the time it makes a regular offer of reserve tonnage, at any time during the period a regular offer is in effect, or within a reasonable time after a regular offer has expired.

(4) The final offer of the reserve tonnage from a crop year may be offered to handlers without regard to shares and approval of handlers' applications for purchase may be made in the same order in which the applications are received by the committee.

* * * * *

(j) The committee shall not sell reserve tonnage raisins of any varietal type to handlers to provide them with raisins to sell as free tonnage unless it files with the Secretary complete information and receives from the Secretary notice that he does not disapprove of such sale and that because of: National emergency; crop failure; major change of economic conditions; free tonnage shipments during the first 10 months of the then current crop year exceeding shipments of the comparable period of the prior crop year by more than 5 percent: *Provided,* That such sale of reserve tonnage shall be limited to the quantity exceeding 105 percent of shipments for the first 10 months of the prior crop year; or an inadequate carryover for September shipments, the free tonnage outlets cannot be reasonably well supplied by the tonnage released to the industry as a whole by the free tonnage percentage for that varietal type. Any quantities of reserve raisins made available for such sale to handlers shall be offered to them in the same manner as in subparagraph (1) of paragraph (d) of this section, with shares determined pursuant to subparagraph (2) of paragraph (d) of this section. However, such raisins shall not be sold at a price below that which the committee concludes reflects the average price received by producers for free tonnage of the same varietal type purchased by handlers during the current crop year up to the time of any offer for sale of reserve tonnage by the committee, to which shall be added the costs to the equity holders incurred by the committee on account of receiving, inspecting, storing, fumigating, insuring, and holding of said raisins, and including costs of taxes and interest: *Provided,* That, where the outlook for the next crop year or other factors have caused a downward trend in the prices received by producers for free tonnage raisins or in the prices received by handlers for free tonnage packed raisins, reserve tonnage may be sold to handlers at the currently prevailing or the approximate computed field price for free tonnage raisins, as determined by the committee. The committee may sell reserve tonnage raisins of any varietal type to any handler to provide him with raisins to sell as free tonnage if such handler has lost all or part of his free tonnage because of fire or other disaster beyond his control subject to the applicable provisions of this paragraph and in an amount equal to such tonnage so lost.

11. The second sentence of § 989.82 is revised to read as follows:

§ 989.82 Expenses of reserve raisin operations.

* * * The committee is authorized to pay any taxes assessed against raisins held by or for the account of the committee on March 1, or such assessment date as later changed and then in effect, in the reserve pool established pursuant to this subpart: *Provided,* That any equity holder may pay his taxes upon giving notice to the committee on or before May 1 of each year of his intention to do so. * * *

(Secs. 1–9, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated September 12, 1972, to become effective upon publication in the FEDERAL REGISTER (9–22–72).

RICHARD E. LYNG,
Assistant Secretary.

[FR Doc.72–16063 Filed 9–20–72;8:47 am]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX

Intercompany Pricing Rules for DISC's

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: C:LR:T, Washington, D.C. 20224, by October 23, 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 23, 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 section 994 of the Internal Revenue Code of 1954, as added by section 501 of the Revenue Act of 1971 (85 Stat. 543), 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.

§ 1.994 Statutory provisions; intercompany pricing rules.

SEC. 994. *Intercompany pricing rules*—(a) *In general.* In the case of a sale of export property to a DISC by a person described in section 482, the taxable income of such DISC and such person shall be based upon a transfer price which would allow such DISC to derive taxable income attributable to such sale (regardless of the sales price actually charged) in an amount which does not exceed the greatest of—

(1) 4 percent of the qualified export receipts on the sale of such property by the DISC plus 10 percent of the export promotion expenses of such DISC attributable to such receipts.

(2) 50 percent of the combined taxable income of such DISC and such person which is attributable to the qualified export receipts on such property derived as the result of a sale by the DISC plus 10 percent of the export promotion expenses of such DISC attributable to such receipts, or

(3) Taxable income based upon the sale price actually charged (but subject to the rules provided in section 482).

(b) *Rules for commissions, rentals, and marginal costing.* The Secretary or his delegate shall prescribe regulations setting forth—

(1) Rules which are consistent with the rules set forth in subsection (a) for the application of this section in the case of commissions, rentals, and other income, and

(2) Rules for the allocation of expenditures in computing combined taxable income under subsection (a)(2) in those cases where a DISC is seeking to establish or maintain a market for export property.

(c) *Export promotion expenses.* For purposes of this section, the term "export promotion expenses" means those expenses incurred to advance the distribution or sale of export property for use, consumption, or distribution outside of the United States, but does not include income taxes. Such expenses shall also include freight expenses to the extent of 50 percent of the cost of shipping export property aboard airplanes owned and operated by U.S. persons or ships documented under the laws of the United States in those cases where law or regulations does not require that such property be shipped aboard such airplanes or ships.

[Sec. 994 as added by sec. 501, Rev. Act 1971 (85 Stat. 543)]

§ 1.994–1 Inter-company pricing rules for DISC's.

(a) *In general*—(1) *Scope.* In the case of a transaction described in paragraph (b) of this section, section 994 permits a person related to a DISC to determine the allowable transfer price charged the DISC (or commission paid the DISC) by its choice of three methods described in paragraph (c) (2), (3), and (4) of this section: The "4 percent" gross receipts method, the "50–50" combined taxable income method, and the section 482 method. Under the first two methods, the DISC is entitled to 10 percent of its export promotion expenses as additional taxable income. When the gross receipts method or combined taxable income method is applied to a transaction, the Commissioner may not make distributions, apportionments, or allocations as provided by section 482 and the regulations thereunder. For rules as to certain "incomplete transactions" and for computing combined taxable income, see paragraphs (c) (5) and (6) of this section. Grouping of transactions for purposes of applying the method chosen is provided by paragraph (c)(7) of this section. The rules in paragraph (c) of this section are directly applicable only in the case of sales or exchanges of export property to a DISC for resale, and are applicable by analogy to leases, commissions, and services as provided in paragraph (d) of this section. For rules limiting the application of the gross receipts method and combined taxable income method so that the supplier related to the DISC will not incur a loss on transactions, see paragraph (e) (1) of this section. Paragraph (e) (2) of this section provides for the applicability of section 482 to resales by the DISC to related persons. Paragraph (e) (3) of this section provides for the time by which a reasonable estimate of the transfer price (including commissions and other payments) should be paid. The subsequent determination and further adjustments to transfer prices are set forth in paragraph (e) (4) of this section. Export promotion expenses are defined in paragraph (f) of this section. Paragraph (g) of this section has several examples illustrating the provisions of this section.

(2) *Relationship to section 993.* If the minimum requirements of paragraph (1) of § 1.993–1 (to be proposed) that must be met for a DISC to be subject to section 994 have been satisfied, the application of section 994(a) (1) or (2) does not depend on the extent to which the DISC performs substantial economic functions, except with respect to export promotion expenses.

(3) *Related person and related supplier.* For the purposes of this section—

(i) The term "related person" means a person which is owned or controlled directly or indirectly by the same interests as the DISC within the meaning of section 482 and § 1.482–1(a).

(ii) The term "related supplier" means a related person which singly engages in a transaction directly with the DISC which is subject to the rules of section 994 and this section. However, a DISC may have different related suppliers with respect to different transactions. If, for example, X owns all the stock of Y, a corporation, and of Z, a DISC, and sells a product to Y which is resold to Z, only Y is the related supplier of Z, and, thus, only the resale from Y to Z is subject to section 994 and this section. If, however, X sells directly to Z and Y also sells directly to Z, then, as to the transactions involving direct sales to Z, each of X and Y is a related supplier of Z.

(b) *Transactions to which section 994 applies.* Section 994(a)(3) may be applied, as described in paragraph (a) of this section, to any transaction between a related supplier and a DISC. Sections 994(a) (1) or (2) may be applied, as described in paragraph (a) of this section, to a transaction between a related supplier and a DISC only in the following cases:

(1) Where the related supplier sells export property to the DISC for resale or where the DISC is commission agent for the related supplier on sales by the related supplier of export property to third parties. For purposes of this section, references to sales include exchanges.

(2) Where the related supplier leases export property to the DISC for sublease for a comparable period with comparable terms of payment or where the DISC is commission agent for the related supplier on leases by the related supplier of export property to third parties.

(3) Where services are furnished by a related supplier which are related and subsidiary to any sale or lease by the DISC, acting as principal or commission agent, of export property under subparagraph (1) or (2) of this paragraph.

(4) Where engineering or architectural services for construction projects located (or proposed for location) outside of the United States are furnished by a related supplier where the DISC is acting as principal or commission agent with respect to the furnishing of such services to a third party.

(5) Where the related supplier furnishes managerial services in furtherance of the production of qualified export receipts of an unrelated DISC where the related DISC is acting as principal or commission agent with respect to the furnishing of such services to an unrelated DISC.

Transactions are included, for purposes of this paragraph, only if they give rise to qualified export receipts (within the meaning of section 993(a)) in the hands of the related DISC. If a transaction is not included in subparagraph (1), (2), (3), (4), or (5) of this paragraph, the rules of section 994(a) (1) or (2) do not apply. Thus, for example, the rules of section 994(a) (1) or (2) would not apply if a DISC purchased export property from its related supplier and leased such property to a third party.

(c) *Transfer price for sales of export property*—(1) *In general.* Under this paragraph, rules are prescribed for computing the allowable price for a transfer from a related supplier to a DISC in the case of a sale of export property described in paragraph (b)(1) of this section.

(2) *The "4-percent" gross receipts method.* Under the gross receipts method of pricing, the transfer price for a sale by the related supplier to the DISC is the price as a result of which the taxable income derived by the DISC from the transaction will not exceed the sum of (i) 4 percent of the qualified export receipts of the DISC derived from the sale of the export property (as defined in section 993(c)) and (ii) 10 percent of the export promotion expenses (as defined in paragraph (f) of this section) of the DISC attributable to such qualified export receipts.

(3) *The "50–50" combined taxable income method.* Under the combined taxable income method of pricing, the transfer price for a sale by the related supplier to the DISC is the price as a result of which the taxable income derived by the DISC from the transaction will not exceed the sum of (i) 50 percent of the combined taxable income (as defined in subparagraph (6) of this paragraph) of the DISC and its related supplier attributable to the qualified export receipts from such transaction and (ii) 10 percent of the export promotion expenses (as defined in paragraph (f) of this section) of the DISC attributable to such qualified export receipts.

(4) *Section 482 method.* If the rules of subparagraphs (2) and (3) of this paragraph are inapplicable to a transaction or a taxpayer does not choose to use them, the transfer price for a sale by the related supplier to the DISC is to be determined on the basis of the sale price actually charged but subject to the rules provided by section 482 and the regulations thereunder.

(5) *Incomplete transactions.* For purposes of the gross receipts and combined taxable income methods, where property is transferred by a related supplier to a DISC during a taxable year of the DISC, but is not sold by the DISC during such year—

(i) The transfer price of such property sold by the DISC during such year shall be computed separately from the transfer price of the property not sold by the DISC during such year,

(ii) With respect to such property not sold by the DISC during such year, the transfer price paid by the DISC for such year shall be at least (but need not exceed) the related supplier's cost of goods sold (see subparagraph (6)(ii) of this paragraph) with respect to the property,

(iii) For the subsequent taxable year during which such property is resold by the DISC, an additional amount shall be paid by the DISC (to be treated as income for such year by the related supplier) equal to the excess of the amount which would have been the transfer price under this section had the transfer to the DISC by the related supplier and the resale by the DISC taken place during the same taxable year of the DISC over the amount already paid under subdivision (ii) of this subparagraph.

For purposes of this paragraph, a DISC may determine the year in which it receives property from a related supplier and the year in which it sells property in accordance with the method of identifying goods in its inventory properly used under section 471 or 472 (relating respectively to general rule for inventories and to LIFO inventories). Transportation expense of the related supplier in connection with a transaction to which this subparagraph applies shall be treated as an item of cost of goods sold with respect to the property if the related supplier includes the cost of intracompany transportation between its branches, divisions, plants, or other units in its cost of goods sold (see subparagraph (6)(ii) of this paragraph).

(6) *Combined taxable income.* For purposes of this section, the combined taxable income of a DISC and its related supplier from a sale of export property is the excess of the gross receipts (as defined in section 993(f)) of the DISC from such sale over the total costs of the DISC and related supplier which relate to such gross receipts. Combined taxable income under this paragraph shall be determined after taking into account under paragraph (e)(2) of this section all adjustments required by section 482 with respect to transactions to which such section is applicable. In determining the gross receipts of the DISC and the total costs of the DISC and related supplier which relate to such gross receipts, the following rules shall be applied:

(i) Subject to subdivisions (ii) through (v) of this subparagraph, the taxpayer's method of accounting used in computing taxable income will be accepted for purposes of determining amounts and the taxable year for which items of income and expense (including depreciation) are taken into account. See § 1.991–1(b)(2) (as proposed in 37 F.R. 10366 for May 20, 1972) with respect to the method of accounting which may be used by a DISC.

(ii) Cost of goods sold shall be determined in accordance with the provisions of § 1.61–3. See sections 471 and 472 and the regulations thereunder with respect to inventories.

(iii) Costs (other than cost of goods sold) which shall be treated as relating to gross receipts from sales of export property are (*a*) the expenses, losses, and other deductions properly apportioned or allocated thereto, and (*b*) a ratable part of any other expenses, losses, or other deductions 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.

(iv) The taxpayer's choice in accordance with subparagraph (7) of this paragraph as to the grouping of transactions shall be controlling, and costs deductible in a taxable year shall be allocated and apportioned to the items or classes of gross income of such taxable year resulting from such grouping.

(7) *Grouping transactions.* Generally, the determinations under this section are to be made on a transaction-by-transaction basis. However, at the annual choice of the taxpayer some or all of these determinations may be made on the basis of groups consisting of products or product lines. A determination by a taxpayer as to a product or a product line will be accepted by a district director if it conforms to any recognized industry or trade usage. A choice by the taxpayer to group transactions for a taxable year on a product or product line basis shall apply to all transactions with respect to that product or product line consummated during the taxable year. However, the choice of a product or product line grouping applies only to transactions covered by the grouping, and as to transactions not encompassed by the grouping, the determinations are made on a transaction-by-transaction basis. For example, the taxpayer may choose a product grouping with respect to one product and use the transaction-by-transaction method for another product within the same taxable year.

(d) *Rules under section 994(a) (1) and (2) for transactions other than sales.* The following rules are prescribed for purposes of applying the gross receipts method or combined taxable income method to transactions other than sales:

(1) *Leases.* In the case of a lease of export property by a related supplier to a DISC for sublease by the DISC to produce gross receipts, for any taxable year the amount of rent the DISC must pay to the related supplier shall be determined under the DISC's lease with its related supplier and shall be computed in a manner consistent with the rules in paragraph (c) of this section for computing the transfer price in the case of sales and resales of export property under the gross receipts method or combined taxable income method.

(2) *Commissions.* If any transaction to which section 994 applies is handled on a commission basis for a related person by a DISC and such commissions give rise to qualified export receipts under section 993(a), the amount of the commission income that may be earned by the DISC in any year is the amount, computed in a manner consistent with paragraph (c) of this section, which the DISC would have been permitted to earn under the gross receipts method or the combined taxable income method if the related supplier had sold (or leased) the property or service to the DISC and the DISC in turn sold (or subleased) to a third party.

(3) *Receipts from services*—(i) *Related and subsidiary services attributable to the year of the export transaction.* The gross receipts for related and subsidiary services described in paragraph (b)(3) of this section shall be treated as part of the receipts from the export transaction to which such services are related and subsidiary, but only if, under the arrangement between the DISC and its related supplier and the accounting method otherwise employed by the DISC may derive for any taxable year includible for the same taxable year as income from such export transaction.

(ii) *Other services.* In the case of related and subsidiary services to which subdivision (i) of this subparagraph does not apply and other services described in paragraph (b) (4) or (5) of this section performed by a related supplier, the amount of taxable income which the DISC may derive from any taxable year shall be determined under the arrangement between the DISC and its related supplier and shall be computed in a manner consistent with the rules in paragraph (c) of this section for computing the transfer price in the case of sales for resale of export property under the gross receipts method or combined taxable income method except that the rules for grouping of transactions in paragraph (c)(7) of this section shall not apply with respect to the determination of taxable income which the DISC may derive from such services or commissions on such services.

(e) *Methods of applying paragraphs (c) and (d) of this section*—(1) *Limitation on DISC income ("no loss" rule)*—(i) *In general.* Except as otherwise provided in this subparagraph, neither the gross receipts method nor the combined taxable income method may be applied to cause in any taxable year a loss to the related supplier, but either method may be applied to the extent it does not cause a loss. A loss to a related supplier would result if the taxable income of the DISC would exceed the combined taxable income of the related supplier and the DISC. If, however, there is no combined taxable income of the DISC and the related supplier (because, for example, a combined loss is incurred), a transfer price (or commission) will not be deemed to cause a loss to the related supplier if it allows the DISC to recover an amount not in excess of its costs (if any).

(ii) *Special rule for applying "4 percent" gross receipts method to sales.* A transfer price or commission, determined under the "4 percent" gross receipts method, for a sale of export property referred to in paragraph (b)(1) of this section, will not be considered to cause a loss for the related supplier if for the DISC's taxable year, the ratio that (*a*) the taxable income of the DISC derived from such sale by using such price or commission bears to (*b*) the DISC's gross receipts from such sale is not greater than the ratio that (*c*) all of the taxable income of the related supplier and the DISC from all sales of the same product or product line (domestic and foreign) to third parties bears to (*d*) the total gross receipts of the related supplier and the DISC from such sales. For purposes of the preceding sentence, sales between the DISC and its related suppliers shall not be taken into account under (*c*) or (*d*) of this subdivision. For example, assume that for a taxable year of a DISC the total costs of the related supplier and the DISC with respect to all sales ($150 for domestic and $44 for foreign) of a product line are $194 and the total gross receipts of the related supplier and the DISC with respect to such sales are $200 so that the total taxable income of the related supplier and the DISC with respect to such sales is $6. The parties would thus be entitled to compute a transfer price determined under the gross receipts method on any given sale of product A of such product line by the related supplier to the DISC which would allocate to the DISC taxable income equal to not more than 3 percent (i.e., $6/$200) of its gross receipts derived from its resale of such product. If the DISC were to resell an item of product A for $10, the transfer price paid by the DISC to the related supplier determined under the gross receipts method could be as low as $9.70.

(iii) *Grouping transactions.* For purposes of subdivision (i) of this subparagraph, the basis for grouping transactions chosen by the taxpayer under paragraph (c)(7) of this section for the taxable year shall be applied. For purposes of making the computations of subdivision (ii) (*c*) and (*d*) of this subparagraph, however, the taxpayer may choose any basis for grouping transactions permissible under paragraph (c)(7) of this section, even though it may not be the same basis as that already chosen under paragraph (c)(7) of this section for computing transfer prices or commissions to a DISC. If, for example, the taxpayer has chosen to group transactions on a product basis for computing transfer prices or commissions to a DISC for a taxable year, the taxpayer may still group transactions on a product line basis for purposes of computing taxable income and total gross receipts under subdivision (ii) (*c*) and (*d*) of this subparagraph.

(2) *Relationship to section 482.* In applying the rules under section 994, it may be necessary to first take into account the price of a transfer (or other transaction) between the DISC (or related supplier), and a related person which is subject to the arm's length standard of section 482. Thus, for example, where a related supplier sells export property to a DISC which the related supplier purchased from related persons, the costs taken into account in computing the combined taxable income of the DISC and the related supplier are determined after any necessary adjustment under section 482 of the price paid by the related supplier to the related persons. In applying section 482 to a transfer by a DISC, however, the DISC and its related supplier are treated as if they were a single entity carrying on all the functions performed by the DISC and the related supplier with respect to the transaction and the DISC shall be allowed to receive under the section 482 standard the amount the related supplier would have received had there been no DISC.

(3) *Initial payment of transfer price or commission.* The amount of a transfer price actually charged by a related supplier to a DISC, or a sales commission actually charged by a DISC to a related supplier, in a transaction to which section 994 applies must be paid no later than 60 days following the close of the taxable year of the DISC during which the transaction occurred. If the district director can demonstrate, based upon the data available when such payment is required to be made, that the amount actually paid did not represent a reasonable estimate of the transfer price or commission (as the case may be) to be determined under section 994 and this section, an indebtedness will be deemed to arise as of the date the payment is so required, from the person required to make the payment in favor of the person to whom the payment is required to be made, in an amount equal to the difference between the amount required to be paid and the amount (if any) actually paid and received. However, except as provided in paragraph (c)(5)(ii) of this section with respect to incomplete transactions, if the amount actually paid results in the DISC realizing at least 50 percent of the DISC's taxable income from the transaction as reported in its tax return for the taxable year of the transaction (for the year the transaction is completed), then the amount actually paid shall be deemed to be a reasonable estimate of such transfer price or commission. An appropriate determination

shall be made under the principles of § 1.482–2(a)(2) to reflect an arm's length charge of interest on any indebtedness arising under this subparagraph which shall be included in the taxable income of the person to whom the indebtedness is owed.

(4) *Subsequent determination of transfer price or commission.* The DISC and its related supplier would ordinarily determine under section 994 and this section the transfer price payable by the DISC (or the commission payable to the DISC) for a transaction before the DISC files its return for the taxable year of the transaction. After the DISC has filed its return, a redetermination of the transfer price (or commission) may only be made if permitted by the Code and the regulations thereunder.

(5) *Procedure for adjustments to transfer price or Commission.* If the transfer price (or commission) for a transaction determined under section 994 is different from the price (or commission) actually charged, the person who received too small a transfer price (or commission) or paid too large a transfer price (or commission) shall be entitled to establish, at the date of the determination or redetermination under subparagraph (4) of this paragraph of the transfer price (or commission) under section 994, an account receivable from the person with whom it engaged in the transaction equal to the difference in amount between the transfer price (or commission) so determined, and the transfer price (or commission) previously paid and, received. If, for example, during 1972, a DISC purchased a product from its related supplier and paid a price of $10,000 which price is later determined to be $8,000 under section 994 immediately before the DISC filed its return for 1972, the DISC must be paid $2,000 ($10,000–$8,000) by its related supplier or establish an account receivable from its related supplier of $2,000. The account receivable may be established and paid without tax consequences, provided that such account receivable is paid within 90 days after the date it is established. Amounts so established and paid will be considered to relate to the taxable year of the transaction rather than the taxable year during which it is established or paid. Payment must be in the form of money, a written obligation which qualifies as debt under the safe-harbor rule of § 1.992–1(d)(2)(ii) (as proposed in 37 F.R. 10366 for May 20, 1972), or an accounting entry offsetting the account receivable against an existing debt owed by the person in whose favor the account receivable was established to the person with whom it engaged in the transaction. For rules treating accounts receivable of a DISC as nonqualified export assets, beginning on the date established, see § 1.993–2 (to be proposed). An account receivable established in accordance with this subdivision shall bear interest at an arm's length rate, computed in the manner provided by § 1.482–2(a)(2) from the day after the date the account receivable is deemed established to the date of payment. The interest so computed shall be accrued and included in the taxpayer's taxable income for each taxable year during which the account receivable is outstanding.

(f) *Export promotion expenses*—(1) *Purpose of expense.* In order for an expense or cost of a type described in subparagraph (2) of this paragraph to be an export promotion expense, the expense or cost must be incurred or treated as incurred by the DISC (under subparagraph (7) of this paragraph) to advance the sale, lease, or other distribution of export property for use, consumption, or distribution outside the United States. Costs of services in performing installation (but not assembly) on the site and for meeting warranty commitments if such services are related and subsidiary to any qualified sale, lease, or other distribution of export property by the DISC (or with respect to which the DISC received a commission) will be considered to advance the sale, lease, or other distribution of export property. General and administrative expenses attributable to billing customers, other clerical functions of the DISC, or generally operating the DISC, will also be considered to advance the sale, lease, or other distribution of export property.

(2) *Types of expenses.* Export promotion expenses are those expenses or costs meeting the test of subparagraph (1) of this paragraph which constitute—

(i) Ordinary and necessary expenses of the DISC paid or incurred during the DISC's taxable year in carrying on any trade or business, allowable as deductions under section 162, such as expenses for market studies, advertising, salaries and wages of sales, clerical, and other personnel, rentals on property, sales commissions, warehousing, and other selling expenses,

(ii) A reasonable allowance under section 167 for exhaustion, wear and tear, or obsolescence of the property of the DISC,

(iii) Costs of freight (subject to the limitations of subparagraph (4) of this paragraph),

(iv) Costs of packaging for export (as defined in subparagraph (5) of this paragraph), or

(v) Costs of designing and labeling packages exclusively for export markets (under subparagraph (6) of this paragraph).

(3) *Ineligible expenses.* Items ineligible to be export promotion expenses include interest expenses, bad debt expenses, freight insurance, the cost of manufacture or assembly operations, and items of cost of goods sold (except as otherwise provided in this paragraph in the case of certain freight, packaging, and designing and labeling expenses). Income or similar taxes for which a foreign tax credit would be allowable under sections 901 and 903 (if imposed by a foreign country) are also not eligible to be export promotion expenses.

(4) *Freight expenses*—(i) *In general.* Export promotion expenses include one-half of the freight expense (not including insurance) for shipping export property aboard a U.S.-flag carrier in those cases where law or regulation of the United States or of any State or political subdivision thereof or of any agency or instrumentality of any of these does not require that the export property be shipped aboard a U.S.-flag carrier. For purposes of this paragraph, the term "freight expense" includes charges paid for c.o.d. service, miscellaneous ground charges, such as charges incurred for services normally performed by U.S.-flag carriers, charges for services of loading aboard U.S.-flag carriers normally performed by such carriers, freight forwarders, or independent contractors engaged in loading property, and charges attributable to a freight consolidation function normally performed by freight forwarders. In order for one-half of freight expenses paid to the owner (or the agent of the owner) of a U.S.-flag carrier to be claimed as an export promotion expense, the DISC must obtain a written statement from the owner (or the agent) that the export property was shipped aboard the owner's U.S.-flag carrier or another U.S.-flag carrier, and the DISC must have no reasonable basis for disbelieving such statement of the owner (or the agent). For the requirement of a written statement from a freight forwarder, see subdivision (iv) of this subparagraph.

(ii) *U.S.-flag carrier defined.* For purposes of this paragraph, the term "U.S.-flag carrier" is an airplane owned and operated by a U.S. person or persons (as defined in section 7701(a)(30)) or a ship documented under the laws of the United States. Shipment initiated by delivery to the U.S. Postal Service shall be considered shipment aboard a U.S.-flag carrier, but not if shipped to a place to which mail shipments from the United States are ordinarily accomplished by land transportation, such as to Canada or Mexico, unless airmail is specified.

(iii) *Shipment pursuant to law or regulation.* Shipment pursuant to law or regulation includes instances where a U.S.-flag carrier must be used in order to obtain permission from the Government to make the export. If the law or regulation requires a fixed portion of the export property to be shipped aboard a U.S.-flag carrier, the freight expense on that portion of such export property that was so shipped in order to satisfy such requirement cannot qualify as an export promotion expense.

(iv) *Freight forwarders.* A payment to a freight forwarder shall be considered freight expense within the meaning of this paragraph to the extent the forwarder utilizes a U.S.-flag carrier. For purposes of this paragraph, the term "freight forwarder" includes air freight consolidators and carriers owned and operated by U.S. persons utilizing U.S.-flag carriers such as non-vessel-owning common carriers. In order for one-half of freight expenses paid to a freight forwarder to be claimed as export promotion expenses, the DISC must obtain a written statement from the freight forwarder that the export property was shipped aboard a U.S.-flag carrier, and

the DISC must have no reasonable basis for disbelieving such statement of the freight forwarder.

(v) *Freight within the United States.* A DISC may not claim as export promotion expense any amount that is attributable to carriage of export property between points within the United States. If, however, export property is carried from the United States to a foreign country on a through shipment aboard a single U.S.-flag carrier, the freight expense of such carriage shall not be apportioned between the domestic and foreign portions of such carriage, even though the carrier may stop en route within the United States, and one-half of such freight expense may be claimed as an export promotion expense. Freight expense does not include the cost of transporting the export property to the depot of the U.S.-flag carrier or freight forwarder for shipment abroad. The expense of shipment of export property initiated by delivery to the U.S. Postal Service for ultimate delivery outside the United States shall be considered as attributable entirely to carriage of such property outside the United States.

(5) *Packaging for export.* (i) Export promotion expenses include the direct and indirect cost of packaging export property (including the cost of the packaging is the same as domestic packaging. Such packaging costs do not include costs of manufacturing (as defined in the regulations under section 993) and assembly. Thus, if a DISC buys and packages export property for resale, its costs of packaging the export property are export promotion expenses. If, however, the process of such packaging by the DISC is physically integrated with the process of manufacturing the export property by the related supplier, the costs of such packaging are not export promotion expenses.

(ii) The cost of packages leased from a shipping company to which the DISC also pays freight for the property packaged is not a cost of packaging. However, in such circumstances, one-half of the rental charge may be allowable as a freight expense if permitted under subparagraph (4) of this paragraph.

(6) *Designing and labeling packages.* Export promotion expenses include the direct and indirect costs of designing and labeling packages, including bottles, cans, jars, boxes, cartons, or containers, to the extent incurred for export markets. Thus, for example, to the extent incurred for supplying export markets, the cost of designing labels in a foreign language and the cost of printing such labels are export promotion expenses.

(7) *DISC must incur export promotion expenses*—(i) *In general.* In order for an expense to be an export promotion expense it must be incurred or treated as incurred under this subparagraph by the DISC. For example, an expense is incurred by a DISC if the expense results from (*a*) the DISC incurring an obligation to pay compensation to its employees, (*b*) depreciation of property owned by the DISC and used by its employees, (*c*) the DISC incurring an obligation to pay for office supplies used by its employees, (*d*) the DISC incurring an obligation to pay space costs for use by its employees, or (*e*) the DISC incurring an obligation to pay other costs supporting efforts by its employees.

(ii) *Payments to independent contractors.* A payment to an independent contractor, directly or indirectly, is treated as incurred by the DISC if the cost of performing the function performed by the independent contractor would be considered an export promotion expense described in subparagraphs (1) and (2) of this paragraph if performed by the DISC, and if, in a case where the services of the independent contractor were engaged by a person related to the DISC, such related person and such DISC agreed in writing before the contract was entered into that a specified portion or all of the contract was for the benefit of the DISC and that all of the expenses of the contract (eligible to be considered as export promotion expenses) with respect to such portion would be borne by the DISC.

(iii) *Expenses incurred by related persons.* Reimbursements or other payments by a DISC to a related person are export promotion expenses only if the expenses of the related person for which reimbursement is made are for space in a building actually used by employees of the DISC or for export property owned by the DISC. Except as otherwise provided in the preceding sentence, expenses incurred by a foreign international sales corporation (FISC) or a real property holding company (as defined in section 993(e) (1) and (2), respectively) shall not be treated as export promotion expenses of its DISC.

(iv) *Selling commissions paid by a DISC.* A commission paid by a DISC to a person other than a related person, with respect to a transaction which gives rise to qualified export receipts of the DISC, is an export promotion expense of the DISC. A commission paid by a DISC to a related person is not an export promotion expense.

(v) *Sales of promotional material.* If a DISC sells promotional material to a buyer of export property from the DISC at a price which is greater than the costs of the DISC for such material, such costs are not export promotion expenses. If, however, the DISC sells promotional material at a price which is less than its costs for such material, the excess of such costs over such price is an export promotion expense. For rules relating to the status of promotional material as export property or qualified export assets, see the regulations under section 993.

(8) *Incomplete transactions.* Expenses eligible to be treated as export promotion expenses which are attributable to the sale, lease, or other distribution of export property and which are incurred prior to the taxable year of sale, lease, or other distribution by the DISC are not treated as export promotion expenses until the taxable year of sale, lease, or other distribution. Thus, for example, if a DISC incurs a packaging cost which is otherwise eligible to be treated as an export promotion expense, the DISC may not include such charge as an export promotion expense until the year in which the export property with respect to which the packaging cost was incurred is actually sold by the DISC.

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

Example (1). J and K are calendar year taxpayers. J, a domestic manufacturing company, owns all the stock of K, a DISC for the taxable year. During 1972, J manufactures only 100 units of a product (which is eligible to be export property as defined in section 993(c)). J enters into a written agreement with K whereby K is granted a sales franchise with respect to exporting such property and K will receive commissions with respect to such exports equal to the maximum amount permitted to be received under the intercompany pricing rules of section 994. Thereafter, the 100 units are sold for $1,000. J's cost of goods sold attributable to the 100 units is $650. J's direct selling expenses so attributable are $100. Although J has other deductible expenses for purposes of this example assume that J has no other deductible expenses. K pays $230 to independent contractors which qualify as export promotion expenses under paragraph (f)(7)(ii) of this section. K does not perform functions substantial enough to entitle it to an allocation of income which meets the arm's length standard of section 482. The commission which K may earn under section 994 under the franchise is $20, computed as follows:

(1) Combined taxable income:	
(a) K's sales price	$1,000
(b) Less deductions:	
J's cost of goods sold	650
J's direct selling expenses	100
K's export promotion expenses	230
Total deductions	980
(c) Combined taxable income	20
(2) K's profit under combined taxable income method (before application of loss limitation):	
(a) 50 percent of combined taxable income	10
(b) Plus: 10 percent of K's export promotion expenses (10% of $230)	23
(c) K's profit	33
(3) K's profit under gross receipts method (before application of loss limitation):	
(a) 4 percent of K's sales price (4% of $1,000)	40
(b) Plus: 10 percent of K's export promotion expenses (10% of $230)	23
(c) K's profit	63

Since combined taxable income ($20) is lower than both K's profit under the combined taxable income method ($33) and under the gross receipts method ($63), the maximum commission K may earn is $20.

Example (2). M and N are calendar year taxpayers. M, a domestic manufacturing company, owns all the stock of N, a DISC for the taxable year. During 1972, M produces and sells a particular product line of export property to N for $75, a price which can be justified as satisfying the standard of arm's length price of section 482. N performs substantial functions with respect to the transaction and resells the export property for $100. M's cost of goods sold attributable to the export property is $60. M's direct selling expenses so attributable (relating to advertising of the product line in foreign markets) are $12. Although M has other deductible expenses, for purposes of this example, assume that M has no other deductible expenses. N's expenses attributable to resale of the export property are $22 of which $20 are export promotion expenses. The maximum profit which N may earn with respect to the product line is $6, computed as follows:

(1) Combined taxable income:	
(a) N's sales price	$100
(b) Less deductions:	
M's cost of goods sold	60
M's direct selling expenses	12
N's expenses	22
Total deductions	94
(c) Combined taxable income	6
(2) N's profit under combined taxable income method (before application of loss limitation):	
(a) 50 percent of combined taxable income	3
(b) Plus: 10 percent of N's export promotion expenses (10% of $20)	2
(c) N's profit	5
(3) N's profit under gross receipts method (before application of loss limitation):	
(a) 4 percent of N's sales price (4% of $100)	4
(b) Plus: 10 percent of N's export promotion expenses (10% of $20)	2
(c) N's profit	6
(4) N's profit under section 482 method:	
(a) N's sales price	100
(b) Less deductions:	
N's cost of goods sold (price paid by N to M)	75
N's expenses	22
Total deductions	97
(c) N's profit	3

Since the gross receipts method results in greater profit to N ($6) than does the combined taxable income method ($5) or section 482 method ($3), and does not exceed combined taxable income ($6), N may earn a maximum profit of $6. Accordingly, the transfer price from M to N may be readjusted as long as the transfer price is not readjusted below $72, computed as follows:

(5) Transfer price from M to N:	
(a) N's sales price	$100
(b) Less:	
N's expenses	22
N's profit	6
Total subtractions	28
(c) Transfer price	72

Example (3). Q and R are calendar year taxpayers. Q, a domestic manufacturing company, owns all the stock of R, a DISC for the taxable year. During 1972, Q produces and sells a product line of export property to R for $170, a price which can be justified as satisfying the standards of arm's length price of section 482, and R resells the export property for $200. Q's cost of goods sold attributable to the export property is $115 so that the combined gross income from the sale of the export property is $85 (i.e., $200 minus $115). Q's direct expenses so attributable are $35. Q's other deductible expenses not definitely allocable to any item of gross income are $6. Q's gross income from sources other than the transaction is $170 making total gross income of Q and R (excluding the transfer price paid by R) $255 (i.e., $85 plus $170). R's expenses attributable to resale of the export property are $20, all of which are export promotion expenses. The maximum profit which R may earn with respect to the product line is $16, computed as follows:

(1) Combined taxable income:		
(a) R's sales price		$200
(b) Less deductions:		
(i) Q's cost of goods sold		115
(ii) Q's direct expenses		35
(iii) Apportionment of Q's other expenses not definitely related:		
Q's other expenses not definitely related	$6	
Combined gross income from sale of export property	85	
Total gross income of Q and R	255	
Apportionment $\{6 \times 85 / 255\}$		2
(iv) R's expenses		20
Total deductions		172
(c) Combined taxable income		28
(2) R's profit under combined taxable income method (before application of loss limitation):		
(a) 50 percent of combined taxable income		14
(b) Plus: 10 percent of R's export promotion expenses (10% of $20)		2
(c) R's profit		16
(3) R's profit under gross receipts method (before application of loss limitation):		
(a) 4 percent of R's sales price (4% of $200)		8
(b) Plus: 10 percent of R's export promotion expenses (10% of $20)		2
(c) R's profit		10
(4) R's profit under section 482 method:		
(a) R's sales price		200
(b) Less deductions:		
R's cost of goods sold (price paid by R to Q)		170
R's expenses		20
Total deductions		190
(c) R's profit		10

Since the combined taxable income method results in greater profit to R ($16) than does the gross receipts method ($10) or section 482 method ($10), and does not exceed combined taxable income ($28), R may earn a maximum profit of $16. Accordingly, the transfer price from Q to R may be readjusted as long as the transfer price is not readjusted below $164 computed as follows:

(5) Transfer price from Q to R:	
(a) R's sales price	$200

(b) Less:	
R's expenses	$20
R's profit	16
Total	36
(c) Transfer price	164

Example (4). S and T are calendar year taxpayers. S, a domestic manufacturing company, owns all the stock of T, a DISC for the taxable year. During 1972, S produces and sells 100 units of a particular product to T under a written agreement which provides that the transfer price between S and T shall be htat price which allocates to T the maximum permitted to be received under the intercompany pricing rules of section 994. Thereafter, the 100 units are sold by T for $950. S's cost of goods sold attributable to the 100 units is $650. S's other deductible expenses so attributable are $300. Although S has other deductible expenses, for purposes of this example, assume that S has no deductible expenses not definitely allocable to any item of gross income. T's expenses attributable to the resale of the 100 units are $50. S chooses not to apply the section 482 method. T may not earn any income under the gross receipts or combined taxable income method with respect to resale of the 100 units because combined taxable income is a negative figure, computed as follows:

(1) Combined taxable income:	
(a) T's sales price	$950
(b) Less deductions:	
S's cost of goods sold	650
S's expenses	300
T's expenses	50
Total deductions	1,000
(c) Combined taxable income (loss)	($50)

Under paragraph (e)(1)(i) of this section, T is permitted to recover its expenses attributable to the 100 units ($50) even though such recovery results in a loss or increased loss to the related supplier. Accordingly, the transfer price from S to T may be readjusted as long as the transfer price is not readjusted below $900, computed as follows:

(2) Transfer price from S to T:	
(a) T's sales price	$950
(b) Less: T's expenses	50
(c) Transfer price	900

Example (5). Assume the same facts as in example (4) except that S chooses to apply the section 482 method and that under arm's length dealings T would have derived $10 of income. Accordingly, the transfer price from S to T may be readjusted as long as the transfer price is not readjusted below $890, computed as follows:

(1) Transfer price from S to T:	
(a) T's sales price	$950
(b) Less:	
T's expenses	50
T's profit	10
Total deductions	60
(c) Transfer price	890

Example (6). X and Y are calendar year taxpayers. X, a domestic manufacturing company, owns all the stock of Y, a DISC for the taxable year. During March 1972, X manufactures a particular product of export property which it leases on April 1, 1972, to Y for a term of 1 year at a monthly rental of $1,000, a rent which satisfies the standard of arm's length rental under section 482. Y subleases the product on April 1, 1972, for a term of 1 year at a monthly rental of $1,200. X's cost for the product leased is $40,000. X's other deductible expenses attributable to the product are $900, all of which are incurred in 1972. Although X has other deductible expenses, for purposes of this example, assume that X has no other deductible expenses. Y's expenses attributable to sublease of the export property are $450, all of which are incurred in 1972 and are export promotion expenses. X depreciates the property on a straight line basis without the use of an averaging convention, assuming a useful life of 8 years and no salvage value. The profit which Y may earn with respect to the transaction is $2,895 for 1972 and $1,175 for 1973, computed as follows:

COMPUTATION FOR 1972

(1) Combined taxable income:	
(a) Y's sublease rental receipts for year ($1,200×9 months)	$10,800
(b) Less deductions:	
X's depreciation ($40,000×⅛×9/12)	3,750
X's other expenses	900
Y's expenses	450
Total deductions	5,100
(c) Combined taxable income	5,700
(2) Y's profit under combined taxable income method (before application of loss limitation):	
(a) 50 percent of combined taxable income	2,850
(b) Plus: 10 percent of Y's export promotion expenses (10% of $450)	45
(c) Y's profit	2,895
(3) Y's profit under gross receipts method (before application of loss limitation):	
(a) 4 percent of Y's sublease rental receipts for year (4% of $10,800)	432
(b) Plus: 10 percent of Y's export promotion expenses (10% of $450)	45
(c) Y's profit	477
(4) Y's profit under section 482 method:	
(a) Y's sublease rental receipts for year	$10,800
(b) Less deductions:	
Y's lease rental payments for year	9,000
Y's expenses	450
Total deductions	9,450
(c) Y's profit	1,350

Since the combined taxable income method results in greater profit to Y ($2,895) than does the gross receipts method ($477) or section 482 method ($1,350), Y may earn a profit of $2,895 for 1971. Acordingly, the monthly rental payable by Y to X for 1972 may be readjusted as long as the monthly rental payable is not readjusted below $828.33, computed as follows:

(5) Monthly rental payable by Y to X for 1972:	
(a) Y's sublease rental receipts for year	$10,800.00
(b) Less:	
Y's expenses	450.00
Y's profit	2,895.00
Total	3,345.00
(c) Rental payable for 1972	7,455.00
(d) Rental payable each month ($7,455÷9 months)	828.33

COMPUTATION FOR 1973

(1) Combined taxable income:	
(a) Y's sublease rental receipts for year ($1,200×3 months)	$3,600
(b) Less: X's depreciation ($40,000×⅛×3/12)	1,250
(c) Combined taxable income	2,350

(2) Y's profit under combined taxable income method (before application of loss limitation):	
(a) 50 percent of combined taxable income	$1,175
(b) Y's profit	1,175
(3) Y's profit under gross receipts method (before application of loss limitation):	
(a) 4 percent of Y's sublease rental receipts for year (4% of $3,600)	144
(b) Y's profit	144
(4) Y's profit under section 482 method:	
(a) Y's sublease rental receipts for year	3,600
(b) Less: Y's lease rental payments for year	3,000
(c) Y's profit	600

[FR Doc.72-16139 Filed 9-20-72;8:52 am]

DEPARTMENT OF THE ARMY

Corps of Engineers

[36 CFR Parts 311, 326, 327]

PUBLIC USE OF WATER RESOURCE DEVELOPMENT PROJECTS ADMINISTERED BY CHIEF OF ENGINEERS

Notice of Proposed Rule Making

AUGUST 28, 1972.

Notice is hereby given that the regulations set forth in tentative form below superseding Parts 311 and 326 is proposed by the Secretary of the Army (acting through the Chief of Engineers). The proposed regulation is in the interest of more effective recreation-resource management of the lake and reservoir projects.

Prior to adoption of the proposed regulation, consideration will be given to any comment, suggestion or objections thereto which are submitted in writing to: HQDA (DAEN-CWO-R), Washington, D.C. 20314, within a period of 45 days from the date of publication of this notice in the FEDERAL REGISTER.

For the Chief of Engineers.

J. W. MORRIS,
Major General, U.S. Army,
Director of Civil Works.

PART 327—RULES AND REGULATIONS GOVERNING PUBLIC USE OF WATER RESOURCE DEVELOPMENT PROJECTS ADMINISTERED BY THE CHIEF OF ENGINEERS

Sec.

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AUTHORITY: The provisions of this Part 327 issued under the authority of section 4 of the Act of December 22, 1944, 54 Stat. 899, as amended; 16 U.S.C. 460d.

APPLICABILITY: The regulations covered in this part shall be applicable to all water resource development projects administered by the Chief of Engineers.

§ 327.1 Policy.

(a) It is the policy of the Secretary of the Army acting through the Chief of Engineers to provide the public with safe and healthful recreational opportunities within the geographic boundaries of all water resource development projects administered by the Chief of Engineers.

(b) Recreational use by the public at all Corps of Engineers water resource development projects shall be subject to the regulations prescribed in this part.

(c) Unless otherwise indicated in this part, the term "District Engineer" shall include the authorized representatives of the District Engineer.

(d) All water resource development projects open for recreational use shall be available to the public without regard to sex, race, creed, color, or national origin. No lessee, licensee, or concessionaire providing a service to the public shall discriminate against any person or persons because of sex, race, creed, color, or national origin in the conduct of his operations under the lease, license, or concession contract.

§ 327.2 Motor vehicles.

(a) The operation of motor vehicles including off-road vehicles as set forth in paragraph (b) of this section, is prohibited on roadways of water resource development projects at locations and at times designated by the District Engineer. Such designated areas shall be marked by the posting of appropriate signs. Vehicle operation shall be subject to applicable Federal, State, and local laws and regulations.

(b) The operation of off-road vehicles including but not limited to motorcycles, minibikes, trail bikes, snowmobiles, dune buggies, all terrain vehicles, and other motor vehicles designed for or capable of cross-country travel on natural terrain, when operated off the roadways of water resource development projects is prohibited except at locations and at times designated by the District Engineers. Such designated areas shall be marked by the posting of appropriate signs. Vehicle operation shall be subject to applicable, Federal, State, and local laws and regulations.

(c) No person shall operate any motor vehicle including off-road vehicles in a careless, negligent or reckless manner so as to endanger any person or property.

§ 327.3 Vessels.

(a) It shall be a violation of the regulations in this section to operate any vessel for a fee or profit upon the waters of resource development projects unless such operation is authorized by lease, license or concession contract with the Department of the Army. This paragraph shall not apply to the operation of vessels upon navigable waters of the United States.

(b) No vessel shall be operated in prohibited areas of a lake, reservoir, or other body of water. Such areas shall be designated by the District Engineer and marked by the posting of appropriate signs.

(c) No person shall operate any vessel or manipulate any water skis or other similar device in a careless, negligent, or reckless manner so as to endanger any person or property.

(d) The construction of floating or stationary mooring facilities or any other structure of any kind in the lake, reservoir, or other body of water is prohibited unless a permit therefor has been issued by the District Engineer. No habitation of such facilities will be permitted.

(e) All vessels when not in actual use shall be removed from the lake, reservoir, or other body of water unless securely moored at mooring facilities designated by the District Engineer marked by the posting of appropriate signs.

§ 327.4 Aircraft.

(a) The operation of aircraft shall be in accordance with all applicable Federal, State, and local laws and regulations.

(b) The operation of aircraft on lands or waters other than at the landing areas designated by the District Engineer is prohibited. Such designated areas shall be marked by the posting of appropriate signs.

(c) Except in extreme emergencies involving the safety of human life or threat of serious property loss, the air delivery of any person or thing by parachute, helicopter, or other means without a permit from the District Engineer is prohibited.

(d) The provisions of this section shall not be applicable to aircraft engaged on official business of the Federal Government or used in emergency rescue in accordance with the directions of the District Engineer or forced to land due to

circumstances beyond the control of the operator.

§ 327.5 Swimming.

Swimming, snorkling or scuba diving is prohibited in areas of the lake, reservoir or other body of water designated by the District Engineer and marked by the posting of appropriate signs.

§ 327.6 Picnicking.

Picknicking is prohibited in areas designated by the District Engineer. Such designated areas shall be marked by the posting of appropriate signs.

§ 327.7 Camping.

(a) Camping is prohibited in areas designated by the District Engineer. Such designated areas shall be marked by the posting of appropriate signs.

(b) Camping at a designated fee site without a permit from the District Engineer is prohibited.

(c) The length of stay at all campsites shall be limited to 14 consecutive days. Occupancy of any campsite for a period greater than 14 consecutive days is prohibited unless a permit therefor has been obtained from the District Engineer.

(d) Camping equipment left unattended at a campsite for the purpose of holding the site for future occupancy is prohibited.

(e) The digging or leveling of any ground or the construction of any facility without a permit from the District Engineer is prohibited.

(f) Camping equipment shall be completely removed and the sites cleaned before the departure of the campers.

§ 327.8 Hunting, fishing, and trapping.

(a) Hunting, fishing, and trapping is prohibited in areas designated by the District Engineer. Such designated areas shall be marked by the posting of appropriate signs. Hunting, fishing, and trapping shall be subject to all applicable Federal, State, and local laws and regulations.

(b) The construction of a duck blind is prohibited unless a permit therefor has been issued by the District Engineer.

§ 327.9 Sanitation.

Dumping or disposal in any manner of refuse, garbage, rubbish, trash, debris, or litter of any kind into the waters of or onto any land federally owned and administered by the Chief of Engineers is prohibited except at locations and in receptacles provided for such purposes.

§ 327.10 Fires.

(a) Gasoline and other fuels, except that which is contained in storage tanks of vehicles, vessels, camping equipment, or hand portable containers shall not be stored within the water resource development project area unless a permit therefor has been issued by the District Engineer.

(b) Open fires are prohibited except at campsites, picnic areas and other areas designated by the District Engineer. Such areas shall be marked by the posting of appropriate signs.

(c) The gathering of wood for use as fuel at campsites or picnic areas is prohibited except for the gathering of dead material on the ground.

§ 327.11 Control of horses, dogs, cats, and pets.

(a) Horses are prohibited in camping, picnic, swimming beach areas. Horses are prohibited in other areas as designated by the District Engineer and marked by the posting of appropriate signs.

(b) Dogs, cats, and other pets are prohibited in areas as may be designated by the District Engineer. Such designated areas shall be marked by the posting of appropriate signs. In developed recreation areas where dogs, cats, and other pets are permitted such animals shall be caged, penned, on a lesh no longer than 6 feet in length or otherwise under physical restrictive control at all times.

§ 327.12 Restrictions.

(a) The District Engineer may establish a reasonable schedule of visiting hours for all or portions of a project area and close or restrict the public use of all or any portion of a project by the posting of appropriate signs indicating the extent and scope of closure. All persons shall observe such posted restrictions.

(b) Quiet shall be maintained in all public use areas between the hours of 10 p.m. and 6 a.m. Excessive noise during such times which unreasonably disturbs or endangers persons is prohibited.

(c) The operation or use of any audio or other noise producing device including but not limited to communications media and motorized equipment or vehicles in such a manner as to unreasonably annoy or endanger persons is prohibited.

§ 327.13 Explosives, firearms, other weapons and fireworks.

(a) The possession of firearms, ammunition, and projectal firing devices, bows and arrows, crossbows, and explosives of any kind is prohibited unless: (1) In the possession of a law enforcement officer or Government employee on official duty; (2) used for hunting during the hunting season as permitted under § 327.8; or (3) a permit therefor has been issued by the District Engineer.

(b) The possession and use of fireworks is prohibited unless a permit therefor has been issued by the District Engineer.

§ 327.14 Public property.

Destruction, injury, defacement, or removal of public property including natural formations, historical and archeological features, and vegetative growth is prohibited without written permission of the District Engineer.

§ 327.15 Abandonment of personal property.

(a) Abandonment of personal property is prohibited. Personal property shall not be left unattended upon the lands or waters of the project except in accordance with this part. After a period of 24 hours, abandoned or unattended personal property shall be impounded and stored at a storage point designated by the District Engineer. The District Engineer shall assess a reasonable impoundment fee, which shall be paid before the impounded property is returned to its owners.

(b) The District Engineer shall by public or private sale or otherwise, dispose of all lost, abandoned, or unclaimed personal property that comes into his custody or control. However, property may not be disposed of until diligent effort has been made to find the owner, his heirs or next of kin, or his legal representative. If the owner, his heirs or next of kin, or his legal representative is determined but not found, the property may not be disposed of until the expiration of 120 days after the date when notice, giving the time and place of the intended sale or other disposition, has been sent by certified or registered mail to that person at his last known address. When diligent effort to determine the owner, his heirs or next of kin, or his legal representatives is unsuccessful, the property may be disposed of without delay, except that if it has a fair market value of $25 or more the property may not be disposed of until 3 months after the date it is received at the storage point designated by the District Engineer. The net proceeds from the sale of property shall be covered into the Treasury of the United States as miscellaneous receipts.

§ 327.16 Lost and found articles.

All lost articles shall be deposited by the finder at the Resource Manager's Office or with a Ranger. The finder shall leave his name, address, and phone number. If not reclaimed by the owners within a period of 120 days, lost articles shall be given over to the findee.

§ 327.17 Advertisement.

The advertising of any event or the solicitation of business by the use of billboards, signs, markers, audio devices, or any other means whatever is prohibited unless a permit therefor has been issued by the District Engineer.

§ 327.18 Permits.

It shall be a violation of the regulations in this part to refuse to comply with the terms or conditions of any permit, lease, license, or concession contract issued or entered into under the provisions of this part by the District Engineer. Permits for any structures of the floating type in lakes or reservoirs operated by the Corps of Engineers for recreation purposes shall be issued under these provisions. Permits for any structures of the nonfloating type or any other structures constructed or placed in waters of water resource development projects deemed navigable shall be issued under the provisions of section 10 of Rivers and Harbors Act of 1899 and § 209.120 of Title 33 Code of Federal Regulations. Any permits issued under the authority of this part shall be processed in accordance with and in a

manner provided by ER 1130-2-333, copies of which are available for review by the public at district and division offices.

§ 327.19 Unauthorized structures.

The construction of any structure of any kind under, upon, or over the land or waters is prohibited unless a permit therefor has been issued by the District Engineer.

§ 327.20 Special events.

Special events such as water carnivals, boat regattas, music festivals, dramatic presentations, or other special recreational programs are prohibited unless a permit therefor has been issued by the District Engineer. The public shall not be charged any fee by the sponsor of such event unless the District Engineer has approved in writing the proposed schedule of fees.

§ 327.21 Unauthorized occupation of lands.

Occupying any lands within water resource development projects for the purpose of living thereon and/or maintaining same as a residence without the written permission of the District Engineer is prohibited. The provisions of this section shall not apply to the occupation of lands for the purpose of camping in accordance with the provisions of § 327.7.

§ 327.22 Interference with Government employees.

Interference with any Government employee in the conduct of his official duties pertaining to the administration of the regulations in this part is prohibited.

§ 327.23 Violation of rules and regulations.

Violation of the provisions of this part shall subject the violator to a fine of not more than $500 or imprisonment for not more than 6 months, or both in accordance with section 234 of the River and Harbor Act of 1970 (84 Stat. 1818, 16 U.S.C. 460d, as amended).

[FR Doc.72-16067 Filed 9-20-72;8:53 am]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[25 CFR Part 233]

SAN CARLOS INDIAN IRRIGATION PROJECT, ARIZ.

Service Connections

SEPTEMBER 14, 1972.

This notice is published in exercise of authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2 (32 F.R. 13938).

Notice is hereby given that, pursuant to the authority vested in the Secretary of the Interior by 5 U.S.C., section 301 (1970 ed.), and section 5 of the Act of June 7, 1924 (43 Stat. 475-476), and the Act of March 7, 1928 (45 Stat. 210), it is proposed to amend § 233.10 of Part 233, Subchapter U, Chapter I, of Title 25 of the Code of Federal Regulations. The purpose of this amendment is to eliminate the need for the project to furnish meter socket or meter base to consumers. The items are now standardized and, as a general practice in the electric utility industry, the consumer furnishes a complete meter loop.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendment to the Bureau of Indian Affairs, Washington, D.C. 20242, within 30 days from date of publication of this notice in the FEDERAL REGISTER.

Section 233.10 of Chapter I, Title 25 of the Code of Federal Regulations, is amended to read as follows:

§ 233.10 Service connections.

On each new service the consumer shall provide and maintain a service entrance at a location convenient to the lines of the project, and all connections from the service entrance to the meter base and from the meter base to the main line circuit breaker or distribution center. The meter will be furnished by the United States. The meter socket will be furnished and installed by the consumer and in a suitable location, preferably on the outside of the building, or service pole, where the meter will be accessible to the meter reader at all times. The meter socket shall not be more than 7 feet nor less than 5 feet above the ground or floor. The entire service installation must be satisfactory to the project engineer and must conform to the provisions then in force of the National Electrical Code of the National Board of Fire Underwriters for Electric Wiring and Apparatus. When alterations of a consumer's premises make it necessary to move an existing meter loop, the consumer may be required to install a meter socket in the new loop, located in conformity with the stipulations of this section. When an inspection is required by municipal ordinance, the project engineer shall require a certificate of inspection and approval by the municipal inspector before connecting a new service.

JOHN O. CROW,
Deputy Commissioner.

[FR Doc.72-16053 Filed 9-20-72;8:46 am]

Bureau of Land Management

[43 CFR Part 2650]

ALASKA NATIVE GRANTS

Notice of Proposed Rule Making

The purpose of this amendment is to provide regulations for the satisfaction of grants of lands and interests in lands made by the Alaska Native Claims Settlement Act of December 18, 1971 (43 U.S.C. 1601-1624).

It is hereby determined that the publication of this proposed rule making is not a major Federal action significantly affecting the quality of the human environment and that no detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is required.

In accordance with the Department's policy on public participation in rule making (36 F.R. 8336), interested parties may submit written comments, suggestions, or objections with respect to the proposed rules to the Director (210), Bureau of Land Management, Washington, D.C. 20240 until October 23, 1972.

Copies of comments, suggestions, or objections made pursuant to this notice will be available for public inspection in the Office of Information, Bureau of Land Management, Room 5643, Interior Building, Washington, D.C., during regular business hours (7:45 a.m.-4:15 p.m.).

Chapter II of Title 43 of the Code of Federal Regulations is amended by adding a new Part 2650, as set forth below.

HARRISON LOESCH,
Assistant Secretary of the Interior.

SEPTEMBER 14, 1972.

Group 2600 of Chapter II, Title 43 of the Code of Federal Regulations is amended as follows:

PART 2650—ALASKA NATIVE GRANTS

GROUP 2600—DISPOSITION; GRANTS

Subpart 2650—Alaska Native Grants Generally

Sec.

2650.0-1 Purposes.
2650.0-2 Objectives.
2650.0-3 Authority.
2650.0-5 Definitions.
2650.0-7 Cross references.
2650.1 Provisions for Interim Administration.
2650.2 Application procedures.
2650.3 Valid existing rights.
2650.4 Patent reservations.
2650.4-1 Existing rights and contracts.
2650.4-2 Succession of interest.
2650.4-3 Administration of existing less-than-fee rights.
2650.4-4 National forest lands.
2650.4-5 National wildlife refuge lands.
2650.4-6 Public easements.
2650.5 Survey requirements.
2650.5-1 Areas lacking adequate survey.
2650.5-2 Rule of approximation.
2650.5-3 Selection areas—survey requirements.
2650.6 Selection limitations.
2650.7 Publication of notice.

Subpart 2650—Alaska Native Grants Generally

§ 2650.0-1 Purpose.

The purpose of the regulations in this part is to provide procedures for the orderly satisfaction of grants of lands and interests in lands made by the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688).

§ 2650.0-2 Objectives.

The program of the Secretary is to encourage and assist the beneficiaries of

the 1971 Act, supra, to make timely selections of the lands and interests in lands for which it is determined they are eligible, consistent with the terms of the Act.

§ 2650.0–3 Authority.

Section 25 of the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688) authorizes the Secretary of the Interior to issue and publish in the FEDERAL REGISTER, pursuant to the Administrative Procedure Act (5 U.S.C. 551, et seq.), such regulations as may be necessary to carry out the purposes of the Act.

§ 2650.0–5 Definitions.

(a) "Act" means the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688), and any amendments thereto.

(b) "Secretary" means the Secretary of the Interior or his authorized delegate.

(c) "Native" means a Native as defined in section 3(b) of the Act who has been certified and enrolled as an Alaska Native pursuant to 25 CFR Part 43h by the Coordinattor of the Bureau of Indian Affairs, or other Authorized Officer.

(d) (1) "Village" means any tribe, band, clain, group, village, community, or association in Alaska, including those villages listed in sections 11 and 16 of the Act, which meets the requirements of section 11(b) of the Act.

(2) "Village Corporation" means a profit or nonprofit corporation organized under the laws of the State of Alaska in accordance with sections 8, 11, and 16 of the Act.

(e) "Regional Corporation" means an Alaska Native Regional Corporation established under the laws of the State of Alaska in accordance with the provisions of section 7 of the Act.

(f) "Public Lands" means all Federal lands and interests in lands located in Alaska except:

(1) The smallest practicable tract, as determined by the Secretary, enclosing land actually used, but not necessarily having improvements thereon, in connection with the administration of any Federal installation; and,

(2) Land selections of the State of Alaska which have been patented or tentatively approved under section 6(g) of the Alaska Statehood Act, as amended (72 Stat. 341, 77 Stat. 223; 48 U.S.C. chapter 2), or identified for selection by the State prior to January 17, 1969, except as provided in § 2651.4(a)(1) of this chapter.

(g) "Patent" as used in these regulations means the document which conveys to the patentee the legal title to public lands.

(h) "Interim Conveyance" means a patent issued under the authority of the Act which includes lands for which an approved survey by the Bureau of Land Management, other than a protractim diagram, does not exist, or which has not been otherwise surveyed in a manner adequate to withdraw and grant the lands provided for in the Act. Such patents will contain a provisions for the issuance of a supplemental patent upon completion of a survey.

(i) "Supplemental Patent" means a patent issued after completion of a survey describing the land include in the interim conveyance in accordance with that survey.

(j) "National Wildlife Refuge" means any part of the National Wildlife Refuge System, including refuges, ranges, areas, and coordination lands.

(k) "Resident" means a Native permanently residing in Alaska at the time of filing his application for enrollment, under the criteria of 25 CFR 43h.1 (k) and 43h.4(a).

§ 2650.0–7 Cross references.

(a) Native enrollment procedures are contained in 25 CFR Part 43h.

(b) Withdrawal procedures are contained in Part 2300 of this chapter.

(c) Classification procedures are contained in Part 2400 of this chapter.

§ 2650.1 Provisions for Interim Administration.

(a) Prior to any conveyance of grants under the Act, all lands withdrawn pursuant to sections 11, 14, and 16 of the Act shall be administered by the Secretary of the Interior, or by the Secretary of Agriculture in the case of national forest lands, under applicable laws and regulations. As provided in section 17(d)(3) and section 22(i) of the Act, the authority of the Secretary of the Interior and of the Secretary of Agriculture to make contracts and to grant leases, permits, rights-of-way, or easements is not impaired by the withdrawals.

(b) So long as there are no substantial revenues from real property interests conveyed pursuant to this Act, such lands shall continue to receive forest fire protection services from the United States at no cost, as provided in section 21(e) of the Act.

§ 2650.2 Application procedures.

(a) Applications should be filed on forms approved by the Director, Bureau of Land Management. Each application must specify that it is made pursuant to the regulations in the applicable subpart and cite the applicable section of the Act. Applications should be filed in accordance with Subpart 1821 of this chapter.

(b) Regional corporations must submit with their initial application a copy of the authority of the individual filing the application.

(c) (1) Each village corporation must submit with its first selection a duly certified copy of its articles of incorporation, evidence of approval thereof by the regional corporation for that region, a copy of the resolution authorizing the filing, and with each selection a copy of the authority of the individual filing the application.

(2) Native groups, and Natives residing in Sitka, Kenai, Juneau, and Kodiak, if incorporated as provided in section 14(h) (2) and (3), respectively, must submit the same evidence as specified in subparagraph (1) of this paragraph for village corporations with their application for lands.

(d) (1) Regional and other corporations authorized by the Act subsequently filing applications need only refer to the serial number, date and place of the previous filing as reference to the articles of incorporation.

(2) Any change in the officer authorized to act for any corporation should be promptly submitted to the appropriate office of the Bureau of Land Management.

(e) (1) Land description. If the selected lands are surveyed, the legal description of the lands in accordance with the official plats of survey must be used.

(2) (i) If the selected lands are unsurveyed and are described by approved protraction diagrams of the rectangular system of surveys, such description must be used.

(ii) Where the selected, unsurveyed lands, with approved protraction diagrams, also appear on published 1/63, 360 U.S.G.S. quadrangle maps, these maps will be used to portray and describe the selected lands.

(3) The lands selected shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are not available for selection, and should conform as nearly as practicable to the U.S. Land Survey System. A tract will not be considered compact if it excludes other lands available for selection within its exterior boundaries or if it is excessively strung out in long narrow strips or stairstep shapes of more than 2:1 ration in length to width.

(4) The lands selected shall include whole sections where they are available, or include all available lands in less than whole sections.

(5) "Checkerboard" or alternate tract selections will not be permitted except as provided by Subpart 2653.2 of this chapter.

(f) A nonreturnable service fee of $25 will be required to be paid with each application under this Act.

§ 2650.3 Valid existing rights.

(a) *Patent requirements met.* All patents issued under this Act shall exclude any and subject to valid existing rights. Any person who made a lawful entry for the purpose of gaining title to homesteads (Part 2567 of this chapter), homesite or headquarters sites (Part 2563 of this chapter), trade or manufacturing sites (Part 2562 of this chapter), small tract sites (Part 2730 of this chapter), recreation and public purposes sites (Part 2740 of this chapter), or other valid applications, and who has fulfilled all requirements of law prerequisite to obtaining a patent shall be issued a patent in accordance with applicable regulations.

(b) *Interest protected.* The right of use and occupancy of any person who made a lawful settlement, entry or appropriation of land prior to August 31, 1971, for the purposes cited in paragraph (a) of this section is protected until all

requirements of law for a patent can be or have been meet, even though the lands involved were reserved or withdrawn in accordance with Public Land Order No. 4582, as amended, or are covered by the withdrawal provisions of this Act: *Provided,* That:

(1) Occupancy has been or is being maintained in accordance with the appropriate public land law, and,

(2) Entry was not in violation of Public Land Order No. 4582, as amended. Any person who entered in violation of that public land order has gained no rights.

(c) *Mining claims, possessory rights.* On any lands conveyed to village or regional corporations, any person who, prior to August 31, 1971, initiated a valid mining claim, location, or millsite under the general mining laws and recorded notice thereof with the appropriate State or local office, shall be protected in his possessory rights for a period of 5 years from the date of the Act, if all requirements of the general mining laws are complied with.

(d) *Mining claims, patent requirements met.* Any person holding a valid mining claim on lands conveyed to regional or village corporations may proceed to patent, if all requirerments under the general mining laws are met, at any time before the expiration of the 5-year period specified in paragraph (c) of this section.

(e) *Mining claims, patent requirements not met.* If a patent application has not been filed within the 5-year period specified in paragraph (c), of this section, the claimant's possessory rights will terminate.

§ 2650.4 Patent reservations.

§ 2650.4–1 Existing rights and contracts.

Any patent issued for surface and subsurface rights under this Act will be subject to any lease, contract, permit, right-of-way, or easement and the rights of the lessee, contractee, permittee, or grantee to complete enjoyment of all rights, privileges, and benefits thereby granted him.

§ 2650.4–2 Succession of interest.

Upon issuance of any patent under this authority, the patentee shall succeed and become entitled to any and all interests of the State of Alaska or of the United States as lessor, contractor, permitter, or grantor, in any such leases, contracts, permits, right-of-way, or easements covering the estate patented.

§ 2650.4–3 Administration of existing less-than-fee rights.

(a) *Interim Administration.* Leases, contracts, permits, rights-of-way, or easements granted prior to patent issuance under this authority shall continue to be administered by the State or by the United States unless the agency responsible for administration transfers administration to the patentee. For lands remaining under the jurisdiction of the Secretary, administration of such less-than-fee rights shall be continued by the issuing agency unless all the lands covered by the existing right have been granted under this Act or other appropriate authority. Where all the lands have been granted, administration of such right may be waived.

(b) *Revenue sharing.* In event that the patent does not cover all the lands included within any such lease, contract, permit, right-of-way, or easement, the patentee shall be entitled only to the proportionate amount of the revenues reserved under the lease, contract, permit, right-of-way, or easement, by the State or by the United States in accordance with section 14(g) of the Act.

§ 2650.4–4 National forest lands.

Any patents issued under this Act for timbered lands located within the boundaries of a national forest shall contain the following reservations:

(a) For a period of 5 years from the date of the patent the sale of any timber from these lands shall be subject to the same restrictions relating to the export of timber from the United States as are applicable to national forest lands in Alaska under rules and regulations of the Secretary of Agriculture; and,

(b) These lands must be managed under the principle of sustained yield and under management practices for the protection and enhancement of environmental quality no less stringent than management practices on adjacent national forest lands for a period of 12 years from the date of the patent.

§ 2650.4–5 National wildlife refuge lands.

Every patent which covers lands lying within the boundaries of a national wildlife refuge in existence on December 18, 1971, shall contain the provisions that (a) the land shall remain subject to the laws and regulations governing use and development of such refuge; and (b) there is reserved to the United States the first right of refusal if the land is ever sold by the village corporation.

§ 2650.4–6 Public easements.

In accordance with section 17(b)(3) of the Act, all patents issued to village and regional corporations shall contain such reservations for public easements as the Secretary finds necessary, after consultation with the State of Alaska and the Joint Federal-State Land Use Planning Commission.

§ 2650.4–7 Patent reservation.

Patents will contain a provision for the issuance of a supplemental patent upon completion of a survey, where the lands are not included in an approved survey by the Bureau of Land Management as specified in § 2625.0–5(h).

§ 2650.5 Survey requirements.

All selections pursuant to this authority shall describe the lands as shown on current plats of survey or protraction diagrams of the Bureau of Land Management, or protraction diagrams of the State where Bureau of Land Management protraction diagrams are not available, and shall conform as nearly as practicable to the U.S. Land Survey System.

§ 2650.5–1 Areas lacking adequate survey.

In any area of Alaska which does not conform to the U.S. Land Survey System, or which has not been surveyed in a manner adequate to grant the lands provided for under this authority, such actions may be taken as are necessary to accomplish the purposes of this Act, and the interim conveyances made shall note that upon completion of a survey appropriate adjustments shall be made to insure that the beneficiaries of the land grants receive their full entitlement.

§ 2650.5–2 Rule of approximation.

To assure full entitlement, the rule of approximation may be applied with respect to the acreage limitations applicable to conveyances under this authority, i.e., any excess must be less than the deficiency would be if the smallest legal subdivision were eliminated (see 62 I.D. 417, 421).

§ 2560.5–3 Selection areas—survey requirements.

(a) The areas conveyed pursuant to this Act shall be surveyed within 20 years from the date of conveyance. Unless the land is already surveyed in accordance with the rectangular system of surveys, exterior boundaries of selected or designated areas shall be monumented at angle points and at intervals of approximately 2 miles on straight lines. No ground survey or monumentation will be made along meanderable water boundaries.

(b) Interior Survey Requirements. (1) Lands which on December 18, 1971, were occupied as a primary place of residence, as a primary place of business, or for other purposes, within the exterior boundaries of lands selected or designated for village corporation acquisition, shall be surveyed, provided the lands are to be later conveyed pursuant to valid existing rights as identified in § 2650.3. (2) Lands included in valid claims or entries of record on December 18, 1971, shall be surveyed and segregated from the selections.

§ 2650.6 Selection limitations.

(a) Notwithstanding any other provision of the Act, no village or regional corporation may select lands which are within 2 miles from the boundary, as it existed on December 18, 1971, of any home-rule or first-class city (excluding boroughs), or which are within 6 miles from the boundary of Ketchikan. Where a tract of 5,760 acres or less of selectable public land lies partly outside the 2- or 6-mile radius, none of it shall be subject to selection if the major portion of the tract lies within the applicable radius as drawn from the closest boundary point.

(b) Village and regional selections shall be contiguous and in reasonably compact tracts, except as separated by

bodies of water or by lands which are unavailable for selection.

(1) Wherever feasible, village selections shall be in quarter townships or units of not less than 5,760 acres.

(2) Regional selections shall be in whole townships, wherever feasible, unless smaller tracts are approved for selection by the Authorized Officer.

§ 2650.7 Publication of notice.

In all appropriate cases, the Authorized Officer will order publication of notice, prior to the issuance of patent, in accordance with the procedures in Subpart 1824 of this chapter.

Subpart 2651—Village Grants

Sec.
2651.0–3 Authority.
2651.1 Surface estate grant.
2651.2 Eligibility requirements.
2651.3 Selection period.
2651.4 Selection limitation.
2651.5 Patent reservations.
2651.6 Review of village corporation transactions.

Subpart 2651—Village Grants

§ 2651.0–3 Authority.

Section 12 of the Act provides for the selection of lands by eligible village corporations.

§ 2651.1 Surface estate grant.

(a) Village corporations eligible for land benefits under the Act shall be entitled to a patent to the surface estate in accordance with section 14(a) of the Act, for not more than the acreage shown in the following table:

Population—April 1, 1970 [1]	*Maximum acreage entitlement*
25 through 99	69,120 acres.
100 through 199	92,160 acres.
200 through 399	115,200 acres.
400 through 599	138,240 acres.
600 or more	161,280 acres.

(b) In addition to the land benefits in paragraph (a) of this section, each eligible village shall be entitled to select and receive a patent to the surface estate for such acreage as is distributed to the village in accordance with section 12 of the Act, as provided in § 2653.3 of this chapter.

§ 2651.2 Eligibility requirements.

(a) Pursuant to section 11(b), the Secretary shall review and determine not later than June 1974, which villages are eligible for benefits under section 14(a) of the Act.

(b) Any Native group found to be not eligible for benefits under section 14(b) of the Act, will be considered for possible benefits under section 14(h)(2) of the Act, as provided in § 2654.5 of this chapter.

§ 2651.3 Selection period.

Eligible village corporations must file their selection applications by no later than December 18, 1974.

[1] Evidence satisfactory to the Secretary may be used to determine population figures.

§ 2651.4 Selection limitation.

(a) Each eligible village corporation may select up to the maximum acreage determined in accordance with § 2651.1, but may not select more than:

(1) 69,120 acres of land that has been selected by, or tentatively approved to, but not yet patented to the State prior to January 17, 1969, under the Alaska Statehood Act; and,

(2) 69,120 acres of land from the National Wildlife Refuge System; and,

(3) 69,120 acres of land from the National Forest System.

(b) To the extent necessary to obtain its entitlement, each eligible village must select all available lands within priority Group I (below) before selecting lands within priority group (2), etc. Priority groups are:

(1) The township or townships within which all or part of the village is located;

(2) Withdrawn lands in the two "rings" of contiguous or cornering townships, as specified in section 11(a)(1)(B) and (C) of the Act;

(3) Deficiency lands withdrawn pursuant to section 11(a)(3) of the Act.

(c) Selections shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection and shall, wherever feasible, be in quarter townships or units of not less than 5,760 acres.

(d) Whenever the Secretary or his authorized representative determines that a dispute exists between villages over land selection rights, he shall direct the villages to arbitrate the dispute in accordance with section 12(e) of the Act, within 90 days of notice to that effect.

§ 2651.5 Patent reservations.

In addition to the patent reservations in § 2650.4 of this chapter, patents issued to village corporations shall be subject to the requirements of sections 14(c) and 14(g) of the Act. Section 14(c) requires the village corporation to convey: (a) To any Native or Non-native occupant the land occupied as a primary place of residence or otherwise, (b) to nonprofit organizations the tracts occupied by them, (c) to any municipal corporation, or to the Federal Government State, or the appropriate municipal corporation title to the surface estate for existing airport sites, airway beacons and other navigational aids, together with such additional acreage or easements to provide related services and airport safety aids. Section 14(g) makes the patent subject to valid existing rights of permittees, leassees, etc. The village corporation succeeds to any and all interests of the State of Alaska or of the United States as lessor with respect to the outstanding lease, or other such right granted prior to patent. The patents to village corporations shall also be subject to the right of the holder of a vaild mining claim, location, or millsite to use and occupy so much of the surface thereof claimed and occupied on August 31, 1971, as may be required for all purposes reasonably incident to the mining and removal of the minerals, but not to exceed in extent and area the amount of surface specified in Part 3840 of this chapter.

§ 2651.6 Review of village corporation transactions.

Until December 18, 1981, the regional corporations shall be afforded the opportunity to review and render advice to the village corporation on all land sales, leases, or other transactions prior to any final commitment.

Subpart 2652—Tlingit-Haida Grant

Sec.
2652.0–3 Authority.
2652.1 Surface estate grant.
2652.2 Qualifications for land benefits.
2652.3 Lands available for selection.
2652.4 Selection period.
2652.5 Selection limitation.
2652.6 Patent reservations.
2652.7 Review of village corporation transactions.

Subpart 2652—Tlingit-Haida Grant

§ 2652.0–3 Authority.

Section 14(b) of the Act directs the Secretary to issue patent to the surface estate of 23,040 acres to the villages listed in section 16(a) of the Act which he finds are qualified to receive benefits.

§ 2652.1 Surface estate grant.

The following villages shall be considered for benefits under this authority:

Angoon, Southeast.
Craig, Southeast.
Hoonah, Southeast.
Hydaburg, Southeast.
Kake, Southeast.
Kasaan, Southeast.
Klawock, Southeast.
Klukwan, Southeast.
Saxman, Southeast.
Yakutat, Southeast.

§ 2652.2 Qualifications for land benefits.

(a) Villages listed in § 2652.1 must be found qualified for land benefits, as provided by section 11(b) of the Act, before they may select lands pursuant to section 14(b) of the Act.

§ 2652.3 Lands available for selection.

Each village corporation for the qualified villages listed under § 2652.1 must select its 23,040 acres from available lands in the township or townships in which all or part of the Native village is located, and, to the extent necessary, from lands in the surrounding townships withdrawn for the Native village by section 16(a) of the Act.

§ 2652.4 Selection period.

All applications for selection must be filed not later than December 18, 1974.

§ 2652.5 Selection limitation.

Selections shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection, and shall, wherever feasible, be in whole sections or units of not less than 1,280 acres.

§ 2652.6 Patent reservations.

Patents issued under the authority of this subpart will include the reservations required by § 2651.5.

§ 2652.7 Review of village corporation transactions.

Village corporation transactions shall be subject to review as provided by § 2651.6 of this chapter.

Subpart 2653—Regional Grants

Sec.
2653.0–3 Authority.
2653.1 Entitlement.
2653.2 Selection limitations.
2653.3 Regional reallocation grant.
2653.4 Patent reservations.

Subpart 2653—Regional Grants

§ 2653.0–3 Authority.

(a) Section 12(a)(1) of the Act provides that when a village selects the surface estate to lands within the National Wildlife Refuge System or Naval Petroleum Reserve No. 4, the regional corporation for that region may select the subsurface estate in an equal acreage from other lands withdrawn by section 11(a), within the region, if possible.

(b) Section 14(e) of the Act authorizes the Secretary to issue patents to regional corporations for the surface and/or subsurface estate, as is appropriate, for the lands selected by them from allocations made by the Secretary pursuant to section 12(c) and section 14(h)(8) of the Act, provided such selections are filed before December 18, 1975.

(c) Section 14(f) of the Act provides that the subsurface estate of lands conveyed to village corporations pursuant to sections 14(a) and 14(b) shall be conveyed to the regional corporation of the region in which the village corporation is located, except lands located in the National Wildlife Refuge System and lands withdrawn or reserved for national defense purposes, including Naval Petroleum Reserve No. 4.

(d) Section 14(h)(2) of the Act provides that the subsurface of lands conveyed to a Native group shall be conveyed to the appropriate regional corporation.

(e) Section 14(h)(3) of the Act provides that the subsurface of lands conveyed to the Natives residing in Sitka, Kenai, Juneau, or Kodiak shall be conveyed to the appropriate regional corporation, unless the lands are located in a wildlife refuge. In such cases the regional corporation will not be entitled to any subsurface grant.

(f) Section 14(h)(5) of the Act provides that the subsurface estate of lands conveyed to a Native as a primary place of residence shall be conveyed to the appropriate regional corporation.

§ 2653.1 Entitlement.

(a) All regional corporations, except the Sealaska Corporation and the Thirteenth Region.

(1) Eligible regional corporations may select up to the maximum acreage granted pursuant to section 12(c) of the Act. They will be notified by the Secretary of their entitlement on or before December 17, 1974, after selection by the village corporations of the acreage entitlement under section 12(b).

(2) Where subsurface rights are not available to the regional corporation in lands whose surface has been patented to a village corporation, the regional corporation may select an equal acreage from other withdrawn lands, as provided in section 12(a) of the Act.

(3) In the event the Secretary determines that lands are available from the 2 million acres authorized for miscellaneous grants under section 14(h) of the Act for allocation to the regional corporations pursuant to section 14(h)(8) of the Act, the regional corporations will be notified by the Secretary as soon as practicable. Upon such notification, the regional corporations will be entitled to select the acreage from available lands.

(4) As appropriate, the regional corporations will receive patent to the subsurface estate of lands, the surface estate of which is patented pursuant to section 14(h) of the Act, as indicated in § 2653.0–3 (d), (e), and (f).

(b) Sealaska Corporation (southeastern Alaska, including Metlakatia).

(1) Pursuant to section 14(f) of the Act, the Sealaska Corporation will receive a patent to the subsurface estate of the lands patented to the villages pursuant to sections 16 and 14 of the Act.

(2) As appropriate, the Sealaska Corporation will receive patent to the subsurface estate of lands, the surface of which is patented pursuant to section 14(h) of the Act, as indicated in § 2653.0–3 (d), (e), and (f).

(c) Thirteenth Region:

(1) If a regional corporation is organized under section 7(c) of the Act, it will not be entitled to any grant of lands, but only to a distribution of funds.

§ 2653.2 Selection limitations.

In addition to the limitations in § 2650.6 of this chapter, each eligible regional corporation shall select the acreage allocated to it from all available land within the region withdrawn under section 11(a)(1) before any lands may be selected from those withdrawn under section 11(a)(3), except that from the lands withdrawn by section 11(a)(1) the regional corporation may select only even-numbered townships in even-numbered ranges, and only odd-numbered townships in odd-numbered ranges;

§ 2653.3 Regional reallocation grants.

(a) Regional reallocation grants shall be computed in accordance with section 12(b) of the Act.

(b) Each regional corporation shall reallocate such acreage allocated to it hereunder among the Native villages within the region on an equitable basis after consideration of historical use, subsistence needs and population.

(c) The action of the Secretary or of a regional corporation taken in accordance herewith is not subject to judicial review, as provided by section 12(b) of the Act.

§ 2653.4 Patent reservations.

In addition to the patent reservations in § 2650.4 of this chapter, patents issued to regional corporations for the subsurface estate of lands, whose surface has been patented to village corporations, shall be subject to the right of the village corporation to approve or disapprove any exploration, development, or removal of minerals from the subsurface estate within the boundaries of the Native village.

Subpart 2654—Miscellaneous Grants

Sec.
2654.0–3 Authority.
2654.0–5 Definitions.
2654.1 Quantity granted.
2654.2 Lands available for selection.
2654.3 Historical places and cemetery grants.
2654.4 Selection period.
2654.5 Native group grants.
2654.6 Sitka - Kenai - Juneau - Kodiak grant.
2654.7 Native—Primary place of residence grant.
2654.7–1 Acreage to be conveyed.
2654.7–2 Primary place of residence criteria.

Subpart 2654—Miscellaneous Grants

§ 2654.0–3 Authority.

Section 14(h) of the Act authorizes the Secretary to withdraw and convey 2 million acres of unreserved and unappropriated public lands located outside the areas withdrawn by sections 11 and 16 of the Act, as follows:

(a) Fee title to existing cemetery sites and historical places to the regional corporations for the regions in which the lands are located;

(b) Title to the surface estate of not more than 23,040 acres to any Native group that does not quality as Native village;

(c) Title to the surface estate of not more than 23,040 acres of land to the Natives residing in Sitka, Kenai, Juneau, and Kodiak who meet the requirements; and,

(d) Title to the surface estate in not to exceed 160 acres of land to a native as his primary place of residence.

§ 2654.0–5 Definitions.

(a) "Cemetery Site" means a burial ground consisting of a number of native gravesites.

(b) "Historical Place" means a distinguishable tract of land or area upon which occurred some historical event, or which is importantly associated with historical or cultural events or persons, or which was subjected to sustained historical activity.

(c) "Native Group" means a community composed of less than 25 Natives who constitute two or more families comprising a majority of the residents of a locality.

§ 2654.1 Quantity granted.

(a) Maximum granted. Not more than a total of 2 million acres may be selected by qualified applicants under section 14(h) of the Act for cemetery sites and historical places, Native groups, corporations formed by Natives residing in Sitka, Kenai, Juneau, and Kodiak, and for primary places of residence. Any Native allotment under the Act of May 17, 1906 (34 Stat. 197), the Act of February 8, 1887 (24 Stat. 389), as amended and supplemented, and the Act of June 25, 1910 (36 Stat. 863), conveyed between December 18, 1971, and December 17, 1975, shall

also be charged against this 2 million-acre grant, as provided by section 14(h)(6) of the Act. The conveyance of a Native allotment shall be by certificate of allotment or by an interim conveyance based on a protracted survey.

(b) The filing of a valid formal application under the regulations of this subpart and the provisions of section 14(h) of the Act will segregate the lands applied for from all other forms of appropriation under the pubic land laws, including the mining and mineral leasing laws, and from section under the Alaska Statehood Act, as ameded, subject to valid existing rights.

(c) Grants for thep urpose provided in this Subpart 2564 shall be limited to the acreage actually used, or the acreage which can be readily identified by an on-the-ground examination.

(d) Grants to Native groups shall not exceed 1,000 acres for each Native group member, or 23,040 acres for each Native group, whichever is less.

(e) In allocating benefits under this authority, if the Secretary determines that the 2 million-acre grant is insufficient to meet all foreseeable claims, including existing allotment claims, he may reduce the maximum acreage of 23,040 acres allowable under section 14(h)(2) for Native groups, and, if also found necessary, the maximum acreage allowable under section 14(h)(3) to any corporation formed by Natives residing in Sitka, Kenai, Juneau, and Kodiak, the reduction to be in such amount as the Secretary finds necessary to meet all other foreseeable claims.

§ 2654.2 Lands available for selection.

(a) Selections must be made from unreserved and unappropriated public lands located outside the areas withdrawn pursuant to sections 11 and 16 of the Act, and from areas withdrawn pursuant to section 14(h) of the Act.

(b) Selections may also be made for cemetery sites and historical places, Native groups, corporations formed by Natives residing in Sitka, Kenai, Juneau, and Kodiak, and for primary places of residence, from any lands which the Secretary may withdraw for those pur poses out of the National Wildlife Refuge System lands or the National Forest lands, as provided by section 14(h)(7).

§ 2654.3 Historical places and cemetery grants.

Regional corporations may select an area of not more than 80 acres for each historical place or cemetery site in existence on December 18, 1971, from lands within the region available for such selection pursuant to § 2654.2. Nominations for larger areas must include a statement justifying the need for the larger areas desired.

§ 2654.4 Selection period.

Applications for selection under this Subpart will be accepted until 2 million acres have been conveyed under the authority of Part 2650 of this chapter, or until December 18, 1975, whichever occurs first.

§ 2654.5 Native group grants.

Qualified Native groups incorporated in accordance with the laws of the State of Alaska may select the surface estate of not more than 23,040 acres which have been withdrawn for selection by a Native group. Except as limited by § 2650.6 of this chapter or other regulation, the acreage to be conveyed shall be not more than 23,040 acres, the maximum allowable under section 14(h)(2) of the Act.

§ 2654.6 Sitka - Kenai - Juneau - Kodiak grant.

Natives residing in Sitka, Kenai, Juneau, and Kodiak, who incorporate under the laws of the State of Alaska, may select the surface estate of up to 23,040 acres of lands of a similar character located in reasonable proximity to the municipalities. Except as limited by § 2650.6 of this chapter or other regulation, the acreage to be conveyed shall be not more than 23,040 acres the maximum allowable under section 14(h)(3) of the Act.

§ 2654.7 Native—primary place of residence grant.

(a) Application for a grant under this Subpart may be made by a Native who occupied land described in § 2654.2 as a primary place of residence on August 31, 1971, as determined by the Secretary pursuant to § 2654.7–2.

(b) Primary place of residence is the place which on August 31, 1971, was the applicant's permanent place of abode.

(c) Applications for such grants must be filed not later than December 18, 1973.

§ 2654.7–1 Acreage to be conveyed.

A Native may secure title to the surface estate of only a single tract, not to exceed 160 acres, under the provisions of this subpart, and grants shall be limited to the acreage actually occupied and used.

§ 2654.7–2 Primary place of residence criteria.

The Secretary will consider the following criteria in determining whether the land occupied is a primary place of residence:

(a) Time of Use. Casual or occasional use will not be considered as making the tract applied for a primary place of residence;

(b) Improvements constructed on the land applied for;

(c) Climate; and

(d) Evidence of use.

Subpart 2655—Native Reserve Grants

Sec.

2655.0–3 Authority.
2655.1 Application procedures.
2655.2 Selection period.
2655.3 Patent reservations.

Subpart 2655—Native Reserve Grants

§ 2655.0–3 Authority.

Section 19(b) of the Act authorizes any village corporation located within a reserve to acquire title to the surface and subsurface estates in any reserve set aside for the use and benefit of its stockholders or members prior to December 18, 1971.

§ 2655.1 Application procedures.

(a) All applicants hereunder must comply with the requirements of § 2650.2 of this chapter.

(b) When only one village corporation is located on a reserve, the application must be accompanied by evidence showing that the request has been concurred in by a majority of the members or stockholders of the village corporation.

(c) If more than one village corporation is located on the reserve, the application must be accompanied by evidence showing that the request has been concurred in by all village corporations concerned through an election in which all members or stockholders of the village corporations participated.

§ 2655.2 Selection period.

Village corporations electing to take the reserve lands must file their applications not later than December 18, 1973, as required by section 19(b) of the Act.

§ 2655.3 Patent reservations.

All patents issued pursuant to this Subpart are subject to the provisions of section 14(g) of the Act, as provided by § 2650.4 of this chapter.

[FR Doc.72–16060 Filed 9–20–72;8:47 am]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Parts 1040, 1043]

[Docket Nos. AO–225–A25, AO–247–A18]

MILK IN THE SOUTHERN MICHIGAN AND UPSTATE MICHIGAN MARKETING AREAS

Partial Decision on Proposed Amendments to Marketing Agreements and to Orders

A public hearing was held upon proposed amendments to the marketing agreements and the orders regulating the handling of milk in the Southern Michigan and Upstate Michigan marketing areas. The hearing was held, pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice (7 CFR Part 900), at Lansing, Mich., on May 4–5, 1972, pursuant to notice thereof issued on April 7, 1972 (37 F.R. 7338).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Regulatory Programs, on August 29, 1972 (37 F.R. 17852; F.R. Doc. 72–14969) filed with the Hearing Clerk, U.S. Department of Agriculture, his (partial) recommended decision containing notice of the opportunity to file written exceptions thereto.

The material issues, findings and conclusions, rulings, and general findings of the recommended decision are hereby approved and adopted and are set forth in full herein.

All issues other than issue No. 1 are reserved for later decision.

The material issues on the record of the hearing relate to:

1. Diversion limitations under the Southern Michigan and Upstate Michigan orders.

2. Whether the marketing areas of Southern Michigan and Upstate Michigan orders should be included under one order.

(a) Merger of orders.

(b) Interstate commerce.

3. If an order is issued for one milk marketing area in the manner proposed, what its provisions should be.

(a) Application of the provisions of the Southern Michigan order to the combined marketing areas.

(b) Revision of provisions with respect to:

(i) Classification of skim milk and butterfat;

(ii) Class prices and location adjustments;

(iii) Distribution of proceeds to producers; and

(iv) Administrative provisions.

FINDINGS AND CONCLUSIONS

The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

(1) *Diversion of producer milk.* The provisions of the Southern Michigan and Upstate Michigan orders with respect to the diversion of producer milk to nonpool plants should be revised to provide that at least 6 days' production of each producer must be physically received during the month at a pool plant in order for the milk of such producer to be eligible for diversion. Diversion should be limited during the months of October through March so that the quantity of a producer's milk diverted to nonpool plants does not exceed the quantity of such producer milk physically received at pool plants, as measured by days of production.

Diversion of milk directly from the farm to a nonpool manufacturing plant is a method by which a handler may dispose of in an efficient manner the reserve milk that is a necessary part of his regular supply. In order to be assured of an adequate supply every day, a handler procuring his own milk supply must arrange to purchase regularly sufficient milk to allow for variations in production and in his daily needs for fluid processing. Production of milk varies seasonally and, accordingly, producers furnishing a sufficient supply for the low production season will produce more than an adequate supply in high production months. Handlers' daily milk requirements also vary, principally because fluid milk packaging is not carried on all days of the week.

Currently, the Southern Michigan order has no limit on the quantity of milk of a producer that may be diverted from pool plants to nonpool plants after the milk of such producer is received at a pool plant for only 1 day. The Upstate Michigan order provides that producer milk may be diverted to a nonpool plant if milk of such dairy farmer was received previously at a pool plant on any 3 days of the current or preceding month or on half or more of the delivery days of any three of the immediately preceding 12 months.

Two cooperatives proposed that diversions be limited to the extent herein provided. They alleged that certain milk associated with the Southern Michigan market should not be pooled because it is not a part of the milk supply regularly available to handlers supplying the Class I needs of the market. The witness for the cooperatives stated that several bulk tank truck routes of producer milk have been diverted continuously for several months to nonpool plants for Class III use. For this reason they proposed requirements which would assure that the milk of each producer is associated with Class I outlets in the market. Specifically, they proposed that at least 6 days' milk production of each producer be received at a pool plant each month and that during each month October through March at least one-half of the days of milk production of each producer be received at pool plants.

Cooperatives urged that the diversion limits be based on days of production rather than the proportion of a producer's milk that is diverted, in order to simplify the accounting and auditing procedures with respect to diversion limits. They indicated also that it would best accommodate a handler's planning ahead for the days on which specific loads of producer milk will be received at pool plants or will be diverted to nonpool plants. If, on the other hand, diversion limits were based on the actual weight of milk received at pool plants and at nonpool plants, the pooling status of certain diverted milk might not be known until after it was delivered.

Most operators of pool distributing plants in the Southern Michigan and Upstate Michigan markets purchase their milk supplies from producer cooperative associations. The cooperatives as marketing agents for member producers direct farm bulk tank truckloads of milk to such distributing plants. Day-to-day and seasonal reserve supplies of milk are directed to manufacturing plants by the cooperatives.

The manufacturing plants used for processing most of the reserve milk supplies of the two markets are pool supply plants operated by cooperatives. Certain of the cooperatives, however, rely on nonpool manufacturing plants as outlets for the reserve milk supplies that they handle.

To accommodate pooling of reserve supplies handled by cooperatives, each of the orders provides that a cooperative may divert producer milk from a pool plant to a nonpool plant.

Although the Southern Michigan order permits unlimited diversions of producer milk, generally each cooperative has made the milk of its member producers available to pool distributing plants to the extent such plants need the milk. During the winter months of 1971–72, however, one newly organized producer association began using the diversion privilege of the Southern Michigan order to move several farm bulk tank routes of milk on a regular basis to a nonpool manufacturing outlet in Ohio. Much of this milk supply had previously been marketed to pool plants by other cooperative associations in the Southern Michigan market. In effect, this supply of milk has been taken off the market, but the milk still is pooled as producer milk under the diversion provisions.

Such diverted milk, estimated to amount to as much as 200,000 pounds per day, is produced in three areas within the Lower Peninsula of Michigan, which is the primary supply area for pool plants regulated under the Southern Michigan and Upstate Michigan orders. A portion of such diverted supply is produced in the vicinity of Livingston County. Another portion of the supply being diverted out of State is produced in the vicinity of Lapeer County. Both of these counties are relatively close (30–50 miles) to Detroit.

Another production area from which such cooperative recently began diverting milk supplies is a region of about 10 counties located north of Saginaw Bay. The Southern Michigan and Upstate Michigan marketing areas border each other in this part of Michigan. Although the record indicated that only producer milk on the Southern Michigan market is being diverted on a continuous basis, the practice prevails in the vicinity of the Upstate market as well as within widely dispersed areas of the Southern Michigan marketing area.

In developing order provisions to pool those milk supplies that serve the fluid market regularly, it is necessary to adopt provisions that will not also pool supplies that do not so serve the market. Such distinction is necessary otherwise the proceeds of the higher Class I price would be dissipated by including in the market pool quantities of milk acquired by handlers primarily for manufacturing purposes. Such dissipated proceeds would accrue to the benefit of dairy farmers who do not regularly or dependably furnish the fluid milk needs of consumers in the marketing area. Unless adequate standards of marketing performance are provided to determine which milk should participate fully in the market pool funds on the basis of service to the fluid market, the uniform price of the market can be depressed to the point that it affects adversely many producers regularly serving the fluid market. This inhibits the price function as the principal means of attracting an adequate supply of milk for the fluid market in an economical manner.

The quantity of milk which handlers and cooperative associations need to divert to nonpool plants depends in part upon the Class I utilization of the market. In months of high Class I utilization

there is less need to divert milk than in months of low Class I utilization.

During each of the years 1968 through 1971 the monthly Class I utilization percentage in the Southern Michigan market reached a peak level in January and a low level in June. For such years Class I utilization averaged 71 percent in January and 58 percent in June. Class I utilization in the market has been relatively stable over the past 4 years, other than for the usual seasonal variation. Since September of 1971, however, the monthly Class I utilization percentages have averaged about 4 percentage points below corresponding months of the prior 3 years. This change is attributable mostly to an increase in receipts of producer milk on the market.

Barring any further substantial decline in the level of Class I utilization, it is apparent that about one-half to two-thirds of the milk associated with the market will be needed for fluid use during any month. In this circumstance, reserve supplies on the market will not exceed one-half of total production in any month. Moreover, since the minimum route disposition requirement for pool status of a distributing plant is that such disposition amount to at least 50 percent of the receipts of producer milk and fluid milk products from supply plants and cooperative associations, it can be expected that there will not be a need to divert more than one-half the producer milk associated with any plant.

It is apparent, however, that the milk of certain producers should be diverted more frequently than the milk of other producers, especially during the season of highest production. The distributing plants in the market are located primarily within the densely populated areas in the southern portion of the marketing area, particularly in Metropolitan Detroit, which is situated on the southeastern edge of the marketing area. The supply area, however, extends throughout the Southern Peninsula of Michigan. In addition there is a pool supply plant located in the Upper Peninsula of Michigan and two pool supply plants are located in northeast Wisconsin.

In this circumstance total hauling costs in getting the necessary supplies to distributing plants can be minimized by first utilizing that milk produced closest to distributing plants to meet the fluid milk requirements of such plants and relying on the more distant supplies to supplement nearby supplies on peak bottling days. On off peak bottling days and during the flush production season the most distant supplies appropriately should be moved to manufacturing outlets located in such production areas.

To facilitate such economic handling practice the diversion privilege may need to be used more during the months of low Class I utilization than during the months of high Class I utilization.

The pool supply plant performance requirement of the order reflect the seasonal variation of Class I use in the market. The minimum shipping requirement for pool supply plant status is 40 percent during each of the months October through March and 30 percent during each of the remaining months. Also, any supply plant that has met the required shipping percentage during each of the months October through March, is accorded pool status for each of the following months of April through September during which it meets any announced call percentage.

Diversion limits appropriately should be consistent with such pool plant performance standards to facilitate the economic handling of milk supplies associated with the market. Since supply plants that are regularly pooled during the months October through March may retain pool status the following months of April through September, so long as they ship any supplemental milk supplies that may be needed during such months, more liberal diversion limits may be helpful to operators of such plants during April through September for efficient handling of their milk supplies. This would particularly be the case for those supply plants that only function as milk receiving and transfer stations, which do not process reserve supplies within the plant, but divert reserve supplies of milk to nearby nonpool manufacturing plants.

In view of the aforementioned considerations it is concluded that the proposed diversion limits should be adopted under the Southern Michigan order. Such limits will enhance orderly marketing by assuring that only milk of producers regularly supplying the market share in the proceeds of the market and by permitting the necessary flexibility in diverting milk not needed for fluid use.

The same diversion provisions should be adopted under the Upstate Michigan order. As previously noted, milk produced in the vicinity of the Upstate Michigan supply area is being diverted on a continuous basis. Such practice could spread to those supplies now on the Upstate market, unless the Upstate order is amended also to insure against such practice.

In addition, the provision in the Upstate Michigan order that provides for pricing diverted milk at the location of the plant from which it is diverted should be deleted to effect pricing of all diverted milk at the location of the plant at which the milk is physically received. Since the change from can to bulk tank handling, it is practicable to attach distant supplies of milk, in Wisconsin for example, to the market on a direct shipped basis. In the event any such supplies are diverted to a plant located near the farms where the milk is produced, the producers would not incur as great a hauling cost as when their milk is delivered to a pool plant located within the market. The location adjustment provisions of the order reflect such difference in hauling costs with respect to milk received at pool plants. Appropriately, the provisions should apply in the case of diverted milk as well as milk received at pool plants. Otherwise the producers of the milk diverted from a plant located in the market to a plant located near their farms and 110 miles or more from a basing point within the market would be credited from pool funds for hauling costs not incurred.

In the event of over-diversions during October–March, cooperatives proposed that the diverting handler designate which quantities of milk should not be producer milk. If the handler fails to make such designation, they proposed that no milk diverted by the handler to nonpool plants should be producer milk. Several handlers opposed such provision on the basis that overdiverted milk can be identified without such a reporting provision.

The diversion limits provided herein require specific performance by each individual producer. He must deliver each month at least 6 days' production to pool plants and must deliver to pool plants during October–March at least as many days of production as is diverted to nonpool plants. If less than 6 days' production is delivered to pool plants, none of the milk of the producer so diverted should be considered as producer milk. In the event the days of production delivered to nonpool plants exceed those received at pool plants, the days of production of milk of each producer diverted in excess of the days of production received at pool plants should not be pooled. The milk production to be considered as overdiverted in such instance should be that milk last to be diverted during the month.

In their brief several handlers supported amendments requiring a producer to deliver each month to pool plants a minimum quantity of milk. They were concerned, however, that the proposed limits on diverted milk might cause uneconomic movements of milk.

Delivery of 6 days' production during flush production months should not require uneconomic movements of milk. Such deliveries represent approximately 20 percent of a producer's total monthly production. If a handler required delivery by each producer on only the peak bottling day of each week, a minimum of 8 days' production (based upon every-other-day pickup of bulk tank milk) of each producer would be delivered to a pool plant. Requiring delivery of 6 days' production would accommodate a situation such as a week containing a holiday when the milk of a producer may not be needed during the season of highest production.

The same handlers opposed requiring during each of the months October–March the physical receipt at a pool plant of at least one-half of the days of production of each producer. They were concerned that if a handler lost a large sales account, his producers might lose a market for their milk unless the handler received the milk at the pool plant and back-hauled it to nonpool plants.

Diversion privileges are not intended as a means by which a handler may guarantee a market to each of his producers during the period in which he has lost an account to another handler. Moreover, since there is a minimum

route disposition requirement of 50 percent of the milk receipts at a pool distributing plant, a plant would lose pool status if more than half of the milk supply associated with the plant is transferred or diverted for Class II or III uses.

Rulings on Proposed Findings and Conclusions

Briefs and proposed findings and conclusions were filed on behalf of certain interested parties. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General Findings

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of each of the aforesaid orders and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

The following findings are hereby made with respect to each of the aforesaid tentative marketing agreements and orders:

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the tentative marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commerical activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on Exceptions

No unfavorable comments or exceptions were filed.

Marketing Agreement and Order

Annexed hereto and made a part hereof are documents, namely, a Marketing Agreement regulating the handling of milk in each of the specified marketing areas, and an Order amending the orders regulating the handling of milk in the Southern Michigan and Upstate Michigan marketing areas, which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That this entire decision, except the attached marketing agreement, be published in the Federal Register. The regulatory provisions of the marketing agreement are identical with those contained in the respective orders as hereby proposed to be amended by the attached order which is published with this decision.

Determination of Producer Approval and Representative Period

July 1972 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the orders, as amended and as hereby proposed to be amended, regulating the handling of milk in the Southern Michigan and Upstate Michigan marketing areas are approved or favored by producers, as defined under the terms of each of the orders, as amended and as hereby proposed to be amended, and who, during such representative period, were engaged in the production of milk for sale within the respective marketing areas.

Signed at Washington, D.C., on September 15, 1972.

Richard E. Lyng,
Assistant Secretary.

Order[1] *amending the orders, regulating the handling of milk in the Southern Michigan and Upstate Michigan marketing areas.*

Findings and Determinations

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of each of the aforesaid orders and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

The following findings are hereby made with respect to each of the aforesaid orders.

(a) *Findings.* A public hearing was held upon certain proposed amendments to the tentative marketing agreements and to the orders regulating the handling of milk in the Southern Michigan and Upstate Michigan marketing areas. The hearing was held pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure (7 CFR Part 900).

Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Southern Michigan and Upstate Michigan marketing areas shall be in conformity to and in compliance with the terms and conditions of each of the orders, as amended, and as hereby amended, as follows:

The provisions of the proposed marketing agreement and order amending the orders contained in the recommended decision issued by the Deputy Administrator, Regulatory Programs, on August 29, 1972, and published in the Federal Register on September 1, 1972 (37 F.R. 17852) shall be and are the terms and provisions of this order, amending the orders, and are set forth in full herein.

I. In Part 1040—Southern Michigan

1. Revise § 1040.10 to read as follows:

§ 1040.10 Producer milk.

"Producer milk" means all skim milk and butterfat contained in milk:

(a) Received from producers at a pool plant or by a cooperative association in its capacity as a handler pursuant to § 1040.7(c); and

(b) Diverted to a nonpool plant by the operator of a pool plant or a cooperative association as a handler pursuant to § 1040.7(d) subject to the following conditions:

(1) In any month that less than 6 days' production of a producer is delivered to pool plants the quantity of milk of the producer diverted during the month shall not be producer milk.

(2) In any month of October through March, the quantity of milk of any producer diverted to nonpool plants that exceeds the quantity of such producer's milk physically received at pool plants, as measured by days of production, shall not be producer milk. The days of production last diverted, which exceed the days of production received at pool plants shall not be producer milk.

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

(3) Milk which is subject to pooling under another Federal order, shall not be producer milk.

II. In Part 1043—Upstate Michigan, Revise § 1043.11 to read as follows:

§ 1043.11 Producer.

"Producer" means any qualified dairy farmer whose milk is:

(a) Received directly from the farm at a pool plant; or

(b) Diverted from a pool plant to a nonpool plant for the account of a handler or cooperative association, subject to the following conditions:

(1) In any month that less than 6 days' production of a producer is delivered to pool plants the quantity of milk of the producer diverted during the month shall not be producer milk.

(2) In any month of October through March, the quantity of milk of any producer diverted to nonpool plants that exceeds the quantity of such producer's milk physically received at pool plants, as measured by days of production, shall not be producer milk. The days of production last diverted, which exceed the days of production received at pool plants shall not be producer milk.

(3) Milk which is subject to pooling under another Federal order, shall not be producer milk.

[FR Doc.72-16062 Filed 9-20-72;8:47 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Services and Mental Health Administration

[42 CFR Part 84]

GAS DETECTOR TUBE UNITS

Proposed Approval

Notice is hereby given that the Administrator, Health Services and Mental Health Administration, with the approval of the Secretary of Health, Education, and Welfare, proposes to amend Title 42, Code of Federal Regulations, by adding a new Part 84 which sets forth the requirements for approval of the instruments to be used for detecting the concentrations of gases to which employees are exposed. Such instrumentation is necessary to assure compliance with certain occupational safety and health standards promulgated under the Occupational Safety and Health Act of 1970, as well as to establish a basis for implementing the Secretary's functions under section 20(a)(5) of the Act.

That section authorizes the Secretary of Health, Education, and Welfare to prescribe regulations requiring employers to measure, record, and make reports on the exposure of employees to substances or physical agents which may endanger their health or safety. Such regulations will necessarily require that only approved instruments be used for such measurements.

Inquiries may be addressed and data, views, and arguments concerning the proposed regulations may be submitted, in triplicate, to the National Institute for Occupational Safety and Health, Room 10-05, 5600 Fishers Lane, Rockville, MD 20852. All material received within 30 days after publication of this notice will be considered. All comments in response to this proposal will be available for public inspection during normal business hours at the foregoing address.

It is therefore proposed to add the following new Part 84:

Dated: August 31, 1972.

VERNON E. WILSON,
Administrator, Health Services and Mental Health Administration.

Approved: September 15, 1972.

ELLIOT L. RICHARDSON,
Secretary.

PART 84—APPROVAL OF GAS DETECTOR TUBE UNITS

Subpart A—General Provisions

Sec.

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AUTHORITY: The provisions of this Part 84 issued under sec. 8(g), 84 Stat. 1600; 29 U.S.C. 657(g).

Subpart A—General Provisions

§ 84.1 Purpose.

The regulations in this part set forth the requirements and fees for the approval of gas detector tube units and components thereof, which are used to determine the concentrations of toxic gases in employee working environments.

§ 84.2 Definitions.

Any term defined in the Occupational Safety and Health Act of 1970 and not defined below shall have the meaning given it in the Act. As used in this part:

(a) "Act" means the Occupational Safety and Health Act of 1970 (29 U.S.C., 651 et seq.).

(b) "Institute" means the National Institute for Occupational Safety and Health established under the Act.

(c) "Applicant" means an individual, partnership, company, corporation, association, or other organization that designs, manufactures, assembles, or markets a gas detector tube unit or component and seeks a certificate of approval therefor.

(d) "Gas detector tube" means a tube containing a chemically impregnated packing which indicates the concentration of a contaminant in the air by means of a chemically produced color change.

(e) "Tube unit" means a device for measuring or signaling the presence of one or more gaseous contaminants in the atmosphere of a working environment which consists of (1) a gas detector tube and (2) an aspirating pump and which may include (3) an oxidation tube and/or (4) a pyrolyzer.

(f) "Component" means any gas detector tube, aspirating pump, oxidation tube, or pyrolyzer designed to operate as a constituent of a tube unit which will meet the requirements of this part.

(g) "Independent tube reader" means a person measuring the length of stain or comparing the color or stain in a tube unit in accordance with the instructions furnished by the applicant who (1) is not aided by another person in reading the tube, (2) has no knowledge of other reader results, and (3) has no prior knowledge of the actual contaminant concentration other than from tube unit readings.

(h) "Standard" means the 8-hour time-weighted average concentration standard for airborne substances promulgated by the Secretary of Labor under section 6 of the Act. In cases where no 8-hour time-weighted average concentration standard has been promulgated by the Secretary, the term shall refer to the standard adopted by the American Conference of Governmental Industrial Hygienists (ACGIH) in "Threshold Limit Values of Airborne Contaminants and Physical Agents With Intended Changes Adopted by ACGIH for 1971."

(i) "MIL-STD" means a specific military standards document approved by the U.S. Department of Defense.

(j) "Batch" means a quantity of material as defined in MIL-STD-105D and MIL-STD-414.

§ 84.3 Applications; tube units; components.

(a) From time to time, the Institute will publish a notice in the FEDERAL REGISTER specifying the dates during which applications will be accepted for the testing and possible approval of tube units and components thereof which are intended to measure specific gases.

(b) No testing of a tube unit or components thereof will be undertaken by the Institute except pursuant to a written application filed in accordance with the requirements of this subpart. The application and all related materials and correspondence concerning it shall be

sent to the National Institute for Occupational Safety and Health, Department of Health, Education, and Welfare, Testing and Certification Laboratory, Appalachian Center for Occupational Safety and Health, Post Office Box 4256, Morgantown, WV 26505, and shall be accompanied by a check, bank draft, or money order in the amount specified in § 84.12, payable to the National Institute for Occupational Safety and Health.

(c) Tube units or compatible components thereof submitted for approval shall be made from those materials specified in the application, on regular production tooling, using only those operations which are a part of regular production processing.

(d) The applicant shall describe the way in which each lot or batch of components will be sampled and tested to maintain their quality in the manufacturing and distribution process pursuant to Subparts B and C of this part.

(e) The applicant shall furnish to the Institute without charge the tube units required for testing. The Institute may require such number of units and components as it deems necessary for adequately testing such units.

(f) The applicant shall submit full-scale designs or reproductions of proposed labels specifying storage instructions, batch number, and expiration date, and a sketch or description of the position of the proposed labels on each tube unit or component thereof. The proposed position of the approval seals issued by the Institute shall also be shown.

(g) The applicant shall submit a statement based upon tests prescribed in Subpart B of this part that the tube unit or the component thereof meets the requirements of this part.

(h) For a tube unit, the applicant shall also include:

(1) Drawings, specifications, and descriptions adequate in detail to identify the design, dimensions, and materials of the detector tube, aspirating pump, and other components.

(2) A description of the test methods and a copy of the test results upon which the statement set forth in paragraph (g) of this section is based.

(i) For components of tube units the applicant shall also include:

(1) Drawings, specifications, and descriptions adequate in detail to identify the design, dimensions, and materials of the component part and its function in the tube unit.

(2) A description of the test methods and test results upon which the statement set forth in paragraph (g) of this section is based.

(3) A statement identifying the tube unit or units with which the particular component is compatible.

§ 84.4 Certificate of approval.

(a) Upon completion of its inspection and testing of a tube unit or any component thereof, the Institute shall issue to the applicant either a certificate of approval or a written notice of disapproval as the case may require. If a notice of disapproval is issued, it will be accompanied by details of the reasons for the disapproval.

(b) Components will be approved for use only for the specific tube unit or units identified in the certificates of approval issued for such components.

§ 84.5 Approval seals.

(a) Approval seals shall be imprinted or affixed by the applicant to tube units approved by the Institute pursuant to this part, or to approved components thereof, in the manner set forth by the Institute in the certificate of approval.

(b) Use of the approval seal obligates the applicant to:

1. Manufacture and assemble the tube unit or manufacture the component thereof according to the drawings and specifications upon which the certificate of approval is based.

2. Maintain the quality of the tube unit or the component thereof in accordance with Subparts B and C of this part.

(c) Any failure by the applicant to comply with the conditions for use of the approval seal may result in a withdrawal of such approval or other action to require compliance with such conditions.

§ 84.6 Required information.

(a) Each component or set of components to be marketed shall include instructions stating the additional components with which it has been approved for use as a tube unit.

(b) Each aspirating pump to be marketed shall be accompanied by instructions which shall enable the use to verify by a simple field test the capability for accurate flow rate sampling and the absence of leakage. The applicant shall also provide instructions for making simple corrective adjustments to the pump and for replacing minor parts.

(c) Each box of approved tubes to be marketed shall be labeled with the following information:

(1) Manufacturer's batch number.

(2) Expected month and year of expiration of the tubes.

(3) Storage instructions.

(d) Each box of approved tubes to be marketed shall include an information sheet setting forth the following.

(1) Instructions for interpreting data obtained from tube readings.

(2) Temperature, pressure, and humidity ranges for which the tube has been calibrated, and the variations from tube calibration caused by these and other pertinent factors illustrated by corrective curves or tables.

(3) Instructions for the use of the tubes and pumps.

(4) Limitations of the tube unit in obtaining accurate concentration measurements including a list of known interfering gases or vapors and the amount which may be tolerated without affecting the measurement of toxic gas concentrations over the working range of the tube.

(5) General chemical reactions involved in the tube unit.

(e) For length-of-stain type detector tubes only, the applicant shall also include in each box of approved tubes a calibration chart or curve showing those concentrations of each gas that the tube measures, in parts per million parts of air, which correspond to various lengths of stained reagent and the volume of the air sampled. The calibration shall be based upon the method described in § 84.23.

(f) For color-intensity type detector tubes only, the applicant shall include in each box of tubes to be marketed a color chart showing those concentrations of each gas that the tube measures, in parts per million parts of air, which correspond to various color changes of the indicating reagent section of the detector tube and to the volume of the air sampled. The calibration shall be based upon the method described in § 84.23.

(g) The applicant shall furnish an assurance that upon request of the user of the tube unit, the applicant will furnish the following:

(1) The calibration methods employed as required by § 84.23 (d) and (e).

(2) A description of the reaction principles involved in the gas detector tube unit under specific environmental conditions described by the user.

§ 84.7 Conduct of tests.

(a) The Institute shall conduct such tests as it deems appropriate to determine whether a tube unit or the components thereof, submitted for approval under these regulations, meet the requirements set forth in Subpart B of this part.

(b) Upon approval of an application, the application and all matters relating to the tube unit or component, including all test results, shall be public records and available for public inspection in accordance with applicable laws.

§ 84.8 Changes after approval.

Prior to changing any feature of an approved tube unit or of a compatible component thereof, the applicant shall obtain approval of the Institute to the following procedures:

(a) Application may be made at any time as for an original certificate of approval as specified by § 84.3. The application shall request that the existing certification be extended to encompass the proposed change.

(b) The application and accompanying material will be examined by the Institute to determine whether testing of the modified tube unit or components will be required. The Institute will inform the applicant whether such testing is required and, if so, when the modified units may be submitted for testing.

(c) If the proposed modification meets the pertinent requirements of these regulations, a revised certificate of approval will be issued. If a certificate of approval is issued, no test data or detailed results of tests will accompany it. If a notice of disapproval is issued, it will be accompanied by details of the reasons for the disapproval.

§ 84.9 Material required for record.

(a) One approved tube unit or approved component thereof may be retained without cost by the Institute as a record of the performance investigation.

(b) Material not required for the record shall be returned to the applicant at his request and at his expense upon written shipping instruction to the Institute

§ 84.10 Withdrawal of approval.

The Institute may, after affording the certificate holder reasonable notice in writing and an opportunity to present its views or evidence, withdraw, for cause, any certificate of approval which the Institute has issued under the provisions of this part.

(a) The views and evidence of the holder of the approval shall be presented in writing unless the Director of the Institute determines that an oral presentation is desirable.

(b) Such views and evidence shall be confined to matters relevant to whether cause exists for the withdrawal of the certificate of approval.

§ 84.11 Incorporation by reference.

In accordance with 5 U.S.C. 552(a)(1), MIL–STD–105D "Sampling Procedures and Tables for Inspection by Attributes" and MIL–STD–414 "Sampling Procedures and Tables for Inspection by Variables for Percent Defective" to which reference is made in Subpart C of this part are hereby incorporated by reference and made a part hereof. These documents are available for inspection at the National Institute for Occupational Safety and Health, 5600 Fishers Lane, Rockville, MD, at the Institute's Testing and Certification Laboratory, Morgantown, WV, and at the Public Health Service Information Centers as listed in 45 CFR 5.31. Copies of either document may be purchased from the Government Printing Office.

§ 84.12 Fees.

(a) Except as provided in paragraph (c) of this section, the following fees shall be charged by the Institute for the examination, inspection, and testing of complete tube units submitted for approval:

(1) Tube unit incorporating aspirating pump	$400
(2) Tube unit incorporating aspirating pump and oxidation pump and/or pyrolyzer	450

(b) Except as provided in paragraph (c) of this section, the following fees shall be charged by the Institute for the examination, inspection, and testing of tube unit components submitted for approval:

(1) Aspirating pump	$50
(2) Gas detector tube	350
(3) Oxidation tube	50
(4) Pyrolyzer	50

(c) An application for examination, inspection, and testing of complete tube units submitted for approval which are not listed in paragraph (a) of this section, or for examination, inspection, and testing of components submitted for approval which are not listed in paragraph (b) of this section, shall be accompanied by the following deposits:

(1) Complete tube unit	$400
(2) Individual component	50

(d) The fees charged for the examination, inspection, and testing of unlisted complete tube units, or components submitted for approval shall be at the rate of $50 per day for each man-day required to be expended by the Institute;

(e) If the amount assessed by the Institute pursuant to paragraph (d) of this section is greater or less than the amount of deposit submitted in accordance with paragraph (c) of this section, the Institute shall request an additional fee, or refund the overpayment, as appropriate, prior to the issuance of any approval or notice of disapproval.

Subpart B—Construction and Performance Requirements

§ 84.20 General.

(a) The Institute will test the tube units and components thereof for which applications are submitted in accordance with this part.

(b) All tube units and components accepted by the Institute for examination, inspection, and testing shall be designed on sound engineering and scientific principles, constructed of suitable materials, and evidence good workmanship.

(c) Replacement parts shall be designed and constructed to permit easy installation and to maintain the effectiveness of the tube unit.

(d) The component parts of each tube unit shall be:

(1) Designed, constructed, and fitted to ensure against the creation of any hazard to the user;

(2) Assembled in a manner which permits easy access (i) for inspection and repair of functional parts and (ii) to parts which require periodic cleaning.

(e) Accuracy of gas detector tubes shall be such that measurements made by these tubes, when used in accordance with the applicant's instructions, are reliable to within ±25 percent of the actual concentration in the range from 0.75 to 5 times the standard and ±35 percent in the range from 0.5 up to, but not including, 0.75 times the standard.

(f) Gas detector tubes shall perform satisfactorily after storage in accordance with the manufacturer's instructions for 1 year after manufacture.

§ 84.21 Length-of-stain detector tubes.

(a) In addition to requirements stated in § 84.20, length-of-stain type detector tubes shall either:

(1) Produce a length of stain not less than 15 mm. when the volume of air stated by the applicant has been drawn through a detector tube from a gas mixture at a concentration equal to the standard for the gas to be detected.

(2) Produce a stain with such a clear and sharp end point that the following requirement is met:

$$\frac{\sigma}{\overline{X}} \leq 0.10$$

where:

σ = the standard deviation of the tube readings obtained from three or more independent tube readers when reading an individual stained tube.

$\overline{X}$ = mean value of the tube readings.

The applicant shall demonstrate to the satisfaction of the Institute by means of data and test results that the tubes meet the above requirement. Such tests must be reproducible by the Institute.

(b) The maximum variation of stain length around the circumference of the tube at the interface between stained and unstained reagent shall be such that:

$$\frac{\Delta L}{M} \leq 0.20$$

ΔL = the length along the tube's longitudinal axis between the point of longest stain and the point of shortest stain.

M = the median length of stain for the tube.

(c) Gas detector tubes shall be assembled so that the packing which interfaces with the indicator reagent at the stained end of the tube is at a right angle to the longitudinal axis of the tube and shall be such that the distance along the tube's longitudinal axis from the point at which the packing is farthest extended toward the reagent and the point at which the packing is least extended toward the reagent shall not exceed 2 mm.

§ 84.22 Color-intensity type detector tubes.

In addition to requirements stated in § 84.20, color-intensity type detector tubes shall meet either of the following requirements:

(a) A sufficient number of color charts and sampling volume combinations shall be provided to:

(1) Cover the range from 0.5 to 1.5 times the standard in increments not greater than 0.25 times the standard.

(2) Cover the range from 1.5 to 3 times the standard in increments not greater than 0.5 times the standard.

(3) Cover the range from 3 to 5 times the standard in increments not greater than the standard.

A color comparison chart and corresponding sampling volume shall be provided for each of the discrete increments indicated above.

(b) A sufficient number of color charts and sampling volume combinations shall be provided so that the following requirement is met when readings are obtained by interpolation between color comparison charts:

$$\frac{\sigma}{\overline{x}} \leq 0.10$$

where:

σ = the standard deviation of the tube readings obtained from three or more independent tube readers when reading an individual stained tube.

$\overline{X}$ = mean value of the tube readings.

The applicant shall demonstrate to the satisfaction of the Institute by means of data and test results that the tubes meet the above requirement. Such tests must be reproducible by the Institute.

§ 84.23 Accuracy of measurement; calibration.

(a) Gas detector tubes from each batch of tubes of the applicant shall be tested by the applicant for accuracy of contaminant concentration measurement by using the tubes to sample known concentrations of contaminants.

(b) All applicant-supplied correction factors for temperature, relative humidity, pressure, and other pertinent variables shall be applied by the applicant to the tube readings before evaluating such readings for accuracy.

(c) Tests by the applicant shall be conducted at ambient room temperature in the range of 65–85° F. (18.3–29.5° C.). Relative humidities shall be adjusted approximately to 50 percent, except for cases in which the presence of a substantial amount of water vapor would result in unstable contaminant concentrations, interfere with concentration monitoring systems, or otherwise cause a disturbance of test conditions. In such cases, a lower relative humidity shall be used.

(d) The applicant shall perform tube calibration tests on gas detector tubes from each batch of its tubes at concentrations of 0.5, 1, 2, and 5 times the standard for the specific gas or vapor to be detected.

(e) Calibration concentrations shall be generated using one of the following methods:

(1) A dynamic contaminant generation system, as by a gas saturating method (employing the vapor pressure of the substance), permeation tube devices, or other instruments or devices which generate gases at a steady, measurable rate.

(2) An analyzed, calibration-grade gas mixture from a pressurized cylinder.

(3) A static concentration system as one prepared by injecting a known mass of a liquid contaminant into a sealed container of known volume and allowing time for evaporation and the equilibration of adsorption and desorption on container walls.

4. Any other method approved by the Institute.

(f) Independent chemical or phyiscal instrumental analysis shall be used by the applicant to verify the test concentration of the gas generated pursuant to paragraph (e) of this section, except in the case when no independent method of acceptable accuracy has been developed.

(g) The applicant shall test gas detector tubes in the presence of interfering gases to verify the applicant's stated interference levels and to determine what additional gases might also interfere with detector tube readings and to what degree such interferences might occur.

§ 84.24 Aspirating pumps.

(a) Aspirating pumps for drawing the air to be sampled with detector tubes shall be free from leakage which can result in erroneously low tube readings, and shall be calibrated by the applicant to sample at whatever flow rate is deemed appropriate by the applicant in order to assure accurate measurements.

(b) After the pump has been evacuated, leakage per minute shall not be more than 3 percent of the pump's volume capacity in a single stroke when a sealed detector tube is used to plug the pump inlet.

(c) Flow control devices shall regulate the flow rate to within ±10 percent of the rate stated by the applicant for each flow rate control device.

(d) Pumps shall be calibrated by the applicant to insure that they are capable of sampling accurately the stated volume at the stated flow rate. Subsequent to a check of proper flow rate and volume, the pump shall be capable of drawing 100 full-capacity strokes of air without deviating more than ±10 percent from the calibration flow rate.

(e) The pump shall be capable of drawing the volume stated by the applicant to within ± 5 percent of said volume. A properly maintained pump shall be able to continue to draw this volume throughout its normal working lifetime.

(f) The pump shall be capable of drawing 10 consecutive strokes using one detector tube with no more than 5 percent error from the theoretical sampling volume.

Subpart C—Quality Control

§ 84.30 Filing quality control plans.

Quality control plans shall be filed by the applicant as a part of each application submitted pursuant to § 84.3.

§ 84.31 Contents of quality control plan.

(a) Each quality control plan shall contain provisions for the management of quality, including: (1) Requirements for the production of quality data and the use of quality control records; (2) control of engineering drawings, documentations, and changes; (3) control and calibration of measuring and test equipment; (4) control of purchased material to include incoming inspection; (5) batch identification, control of processes, manufacturing, fabrication, and assembly work conducted in the applicant's plant; (6) audit of final inspection of the completed product; and, (7) the organizational structure necessary to carry out these provisions.

(b) Each final inspection quality control plan shall include a procedure for the selection of a sample of detector tubes, pumps, and accessory equipment for testing in accordance with MIL–STD–105D "Sampling Procedures and Tables for Inspection by Attributes," or MIL–STD–414, "Sampling Procedures and Tables for Inspection by Variables for Percent Defective," or from a combination of such sampling procedures.

(c) The sampling plan shall include a list of the characteristics to be measured or tested by the applicant. These characteristics shall be classified according to the potential effect of each defect or defective and grouped into the following classes:

(1) *Special.* Tube reading accuracy.

(2) *Critical.* A defect which will make the product completely inoperative or render it unusable for its intended purpose.

(3) *Major.* A defect other than critical, that is likely to result in failure, or to reduce materially the usability of the detector tube system in its intended purpose.

(4) *Minor.* A defect that is not likely to reduce materially the usability of the detector tube system for its intended purpose, or is a departure from established standards having little bearing on the effective use or operation of the detector tube system.

(d) For each characteristic required to be tested, the test method to be used by the applicant for quality control inspection shall be described in detail.

(e) For those characteristics for which an alternate inspection level has been requested pursuant to paragraph (h) of this section, the alternate level proposed and supporting evidence for its selection shall be given.

(f) Each item manufactured shall be 100 percent inspected for defects in all critical characteristics except where tests are destructive, and all defective items shall be rejected.

(g) The acceptable quality level (AQL) for each special, critical, major or minor defect, defective, or both groups so classified by the applicant shall be as follows:

(1) Special—6.5 percent.
(2) Critical—1.0 percent.
(3) Major—2.5 percent.
(4) Minor—4.0 percent.

(h) Inspection level II as described in MIL–STD–414 shall be used for special characteristics except when the applicant's request for an alternate inspection level has been approved by the Institute. Inspection level II as described in MIL–STD–105, or inspection level IV as described in MIL–STD–414 shall be used for major and minor characteristics except when the applicant's request for an alternate inspection level has been approved by the Institute. The request for an alternate inspection level shall include sufficient evidence that smaller sample sizes are necessary and larger sampling risks can be tolerated.

§ 84.32 Approval of plan.

(a) Each quality control plan submitted in accordance with this subpart shall be reviewed by the Institute to determine its effectiveness in maintaining compliance with the construction and performance requirements set forth in Subpart B of this part.

(b) In the event the quality control plan submitted by the applicant will not, in the opinion of the Institute, ensure adequate quality control, the Institute shall, as necessary, require the applicant to modify the procedures and testing requirements of the plan prior to approval of the plan and issuance of any certificate of approval.

(c) Approved quality control plans shall constitute a part of and be incorporated into any certificate of approval issued by the Institute, and compliance with such plans by the applicant shall be a condition of approval.

§ 84.33 Quality control records.

(a) The applicant shall maintain quality control inspection records sufficient to carry out the procedures required in MIL-STD-105D or MIL-STD-414.

(b) The Institute reserves the right, at reasonable times, to have its qualified representatives inspect, without prior notice, the applicant's quality control test methods, systems, equipment, and records, and to interview any employee or agent of the applicant who conducts quality control tests.

[FR Doc.72-16021 Filed 9-20-72;8:45 am]

Office of Education

[45 CFR Part 129]

COMPREHENSIVE EDUCATIONAL PLANNING AND EVALUATION

Notice of Proposed Rule Making

Notice is hereby given that the regulations set forth below (made pursuant to sections 531-534 of the Elementary and Secondary Education Act of 1965, 84 Stat. 145-148, 20 U.S.C. 867-867c) set out the requirements for grants to State and local educational agencies for comprehensive educational planning and evaluation under Part C of title V of that Act.

Interested persons who wish to submit comments, suggestions, or objections pertaining thereto may present their views in writing to the U.S. Commissioner of Education, Department of Health, Education, and Welfare, 400 Maryland Avenue SW., Washington, DC 20202, within 30 days from the date of publication of this document in the FEDERAL REGISTER. Comments received in response to the notice are available for public inspection at Room 3004, Regional Office Building No. 3, Seventh and D Streets SW., Washington, D.C., between 8 a.m. and 4:30 p.m. Monday through Friday.

Dated: August 12, 1972.

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

Approved: September 12, 1972.

ELLIOT L. RICHARDSON,
Secretary.

The regulations set forth below are applicable to grants awarded pursuant to title V, Part C, of the Elementary and Secondary Education Act of 1965 (Public Law 89-10). Federal financial assistance given pursuant to these regulations is subject to the regulations in 45 CFR Part 80, issued by the Secretary of Health, Education, and Welfare, and approved by the President, to effectuate the provisions of section 601 (42 U.S.C. 2000d) of the Civil Rights Act of 1964 (Public Law 88-352).

Part 129 reads as follows:

Sec.
129.1 Definitions.
129.2 State administration.
129.3 Application for grants.
129.4 Review and disposition of applications.
129.5 Parental participation.
129.6 Amendments.
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129.12 Project and grant periods.
129.13 Expenditures by grantees.
129.14 Liquidation of obligations.
129.15 Effect of payments and settlement of accounts.
120.16 Fiscal audits and program reviews.
129.17 Retention of records.
129.18 Adjustments.
129.19 Reports.
120.20 Reapportionment.

AUTHORITY: The provisions of this Part 129 issued under Elementary and Secondary Education Act of 1965, title V, Part C, sections 531-534, 84 Stat. 145-148, 20 U.S.C. 867-867c.

§ 129.1 Definitions.

As used in this part:

(a) "Act" means the Elementary and Secondary Education Act of 1965 (Public Law 89-10). (20 U.S.C. 867)

(b) "Commissioner" means the United States Commissioner of Education. (20 U.S.C. 881(a))

(c) "Comprehensive educational planning and evaluation" means that educational planning and evaluation dealing primarily with overall educational goals under the direct responsibility of the chief executive of the applicant and performed or coordinated by the State planning and evaluation agency which has sufficient authority for this activity. (20 U.S.C. 867a)

(d) "Coordination of planning and evaluation" means the conduct, within or between public agencies, of two or more planning or evaluation activities in a mutually supportive and harmonious mode which have as their objective the same aim, mission, or goal. (20 U.S.C. 867a(c))

(e) "Department" means the Department of Health, Education, and Welfare. (20 U.S.C. 881(i))

(f) "Elementary and secondary education" means elementary and secondary education as determined under State law, except that it does not include any education provided beyond grade 12. (20 U.S.C. 881(c), (h))

(g) "Evaluation" means the continuous process for determining the extent to which management and program objectives are being achieved, using measures of efficiency and effectiveness. (20 U.S.C. 867a)

(h) "Fiscal year" means the period beginning on July 1 and ending on the following June 30. A fiscal year is designated in accordance with the calendar year of the ending date. (20 U.S.C. 867(b))

(i) "Grant period" means that period of time for which grant funds are made available for expenditure by the grantee. (20 U.S.C. 867)

(j) "Local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. It also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school. (20 U.S.C. 881(f))

(k) "Parent" includes legal guardian or anyone else standing in loco parentis as defined by State law. (20 U.S.C. 244 (3), 867)

(l) "Planning" means the selection or identification of the overall, long-range goals, priorities, and objectives of the agency, and the formulation of various courses of action in terms of identification of needs and relative costs or benefits for the purpose of deciding on courses of action to be followed in working toward achieving those goals, priorities, and objectives. (20 U.S.C. 867)

(m) "Project period" means the total period of time for which a project is approved for support under this part. (20 U.S.C. 867)

(n) "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. (20 U.S.C. 881(j))

(o) "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law. For the purposes of this part, the State educational agencies of Hawaii, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, which serve both as State and as local educational agencies, shall be considered to be only State educational agencies. (20 U.S.C. 881(k))

(p) "State planning and evaluation agency" or "unit" means a single organizational unit within the State educational agency which has the exclusive authority for administering a comprehensive program of systematic planning and evaluation of elementary and secondary education in the State. (20 U.S.C. 867a(a))

§ 129.2 State administration.

(a) *State leadership.* It is the purpose of this Part to support a coordinated comprehensive program af systematic planning and evaluation of elementary and secondary education in each State. To this end, each State shall designate or establish a State planning and evaluation agency or unit within the State educational agency. This unit shall

assume the responsibility of coordinating throughout the State the activities which are supported under this part. For State educational agencies that are by law both a State and a local educational agency, paragraphs (b) and (c) of this section and § 129.4 shall not apply. (20 U.S.C. 867, 867a(a))

(b) *Program organization and administration.* Prior to the submission of applications for grants under this part, the State educational agency shall, in order to assist the Commissioner in the administration of this part, provide the Commissioner with an indication of its intent to participate. Such indication will include (1) a description of the leadership and coordination role of the State educational agency, (2) criteria to be used for review of local educational agency applications pursuant to section 532(d) of the Act, (3) appeal procedures to be used in cases of disapproved local educational agency applications pursuant to such section, (4) recommendations concerning criteria for the allocation of available funds between State and local educational agencies, and (5) a description of the method of involving the local agencies in developing a coordinated program for the use of funds under this part. (20 U.S.C. 867(a)(c)(d))

(c) *Technical assistance.* The State planning and evaluation unit shall provide, as necessary and appropriate, technical assistance to local educational agencies in their establishment of eligibility to participate under this part, in their development of applications and programs, and in the implementation and evaluation of those programs. (20 U.S.C. 867a, 867b)

§ 129.3 Application for grants.

(a) *In general.* Any State or local educational agency desiring to receive a grant under this part shall submit an application for each fiscal year at such time, in such form, containing such information, and in accordance with such procedures as the Commissioner may prescribe. An application shall contain:

(1) A statement of present and projected educational needs of persons residing in the area to be served;

(2) A description of a program for meeting those needs which includes—

(i) Setting long-range areawide goals in meeting educational needs and establishing priorities among such goals,

(ii) Developing long-range plans for achieving such goals, taking into consideration the resources available and the educational effectiveness of each of the alternatives,

(iii) Planning new programs and improvements in existing programs based on the results of analyses of alternative means of achieving educational goals,

(iv) Objectively evaluating at intermediate stages the progress and effectiveness of programs in achieving such goals, and, when appropriate, adjusting goals, plan, and programs to maximize educational effectiveness, and

(v) Utilizing available management information, planning, and evaluation systems and techniques;

(3) A plan for developing and strengthening the capabilities of the applicant to improve its planning capacity and to conduct, on a continuous basis, objective evaluations of the effectiveness of educational programs and projects;

(4) A plan for utilizing the resources of, and coordinating with, programs affecting education conducted by or supported by other Federal, State, and local agencies, organizations, and persons;

(5) A statement of policies and procedures which have been, or will be, established and implemented for developing and maintaining a permanent system for obtaining and collecting significant information necessary for the assessment of education in the area to be served by the applicant, for consulting with and involving parents of children served by the applicant, and for making full and detailed information concerning the educational planning and evaluation activities and findings of the applicant and other agencies and persons receiving assistance under this part reasonably available to the public;

(6) A statement of those policies and procedures as will insure that Federal funds made available under the application will be so used as to supplement, and to the extent practical, increase the amounts of State or local funds to be made available for meeting the purposes of this part; and

(7) In the case of an application from a State educational agency, a description of the provisions for using funds granted under this part to make program planning and evaluation services available to local educational agencies in the State. To judge the adequacy of these provisions for the purpose of approving the application of the State educational agency, the Commissioner may apply such criteria as:

(i) The State educational agency has estimated the services desired by the local educational agencies,

(ii) The State educational agency has identified the types of services available and has informed the local educational agencies of their availability,

(iii) The staff of the State educational agency is adequate in size and competency to offer the services identified,

(iv) The types of services available and procedures for offering them are consistent with the purposes of this part,

(v) Services are provided on the basis of relative need of local educational agencies, and

(vi) Local educational agencies requesting services have resources to benefit from the services provided. (20 U.S.C. 867b)

(b) *Assurances.* Each application shall set forth, in such detail as the Commissioner may determine necessary, such policies and procedures as will provide satisfactory assurance that:

(1) Assistance provided under this part, together with other available resources, will be so used for the purposes of this part as to result in the maximum possible effective progress toward the achievement of a high level of planning and evaluation competence; and

(2) Assistance under this part will be used primarily in strengthening the capabilities of the planning and evaluation staff of the agency, office, or unit responsible for the administration of the comprehensive educational planning and evaluation. (20 U.S.C. 867b(b)(2))

(c) *Local educational agency application.* An application from a local educational agency shall contain, in addition to those items in paragraphs (a) and (b) of this section:

(1) A description of the organization, responsibilities, and competencies of the planning and evaluation office or unit of the applicant;

(2) A description of the consultation with the State educational agency in the development of the application; and

(3) A description of how the applicant's planning and evaluation activities will be coordinated with the similar activities of the State educational agency; and will further contain either:

(4) A description of the area and the population to be served by the applicant agency, or agencies if a joint application; or

(5) A description of the demonstration nature of the project for planning, developing, testing, and improving planning and evaluation systems and techniques. (20 U.S.C. 867a(b))

(d) *Supplementation of State or local effort.* The application of a State or local educational agency shall contain or be accompanied by an assurance that Federal funds made available under the application will supplement and, to the extent practicable, increase the amount of State or local funds that would in the absence of such Federal funds be made available for activities which meet the conditions of section 532 of the Act and of this section. In determining whether this assurance is adequate, the Commissioner may request additional data from the applicant such as: (1) The amount of State or local funds (including, in the case of programs supported by Federal funds, the State or local share of all expenditures pursuant to such programs) to be expended by the applicant for activities which meet the conditions of section 532 of the Act and of this section as compared with (2) the amount of State or local funds expended by the applicant in the preceding fiscal year or years, as appropriate, for such activities, with allowances for unusual capital expenditures, such as the acquisition of data processing or other major items of equipment, and adjustments to reflect changes in the scope of the responsibilities of the applicant. (20 U.S.C. 867b)

§ 129.4 Review and disposition of applications.

(a) *Review of applications from local educational agencies.* The State planning and evaluation unit shall receive and review all applications from local educational agencies which desire financial assistance under this part. The State planning and evaluation unit shall evaluate all applications against the criteria established pursuant to § 129.2(b)(2) in this part. (20 U.S.C. 867a(a)(d))

(b) *Forwarding of applications to the Commissioner.* The State educational

agency's application for financial assistance under this part and the applications from the local educational agencies within that State shall be submitted together to the Commissioner at such time as he may prescribe. Local educational agency applications shall be submitted to the State planning and evaluation unit within the time established by such unit which shall be no earlier than 90 days before the date established by the Commissioner for the submission of applications to him. All applications forwarded by the State educational agency shall be accompanied by such evaluative annotations, judgments, and recommendations as the Commisioner may require which will enable him to provide an expeditious review and approval of the applications. Each State educational agency shall recommend local and State educational agency applications which, together, add up to no more than the total apportionment for the State for the applicable fiscal year. (20 U.S.C. 867b(a), 867a(d), 867(c))

(c) *Commissioner's review of local educational agency applications disapproved by a State educational agency.* All local educational agency applications, whether the State educational agency recommends them for approval by the Commissioner or disapproves them, must be submitted at the same time to the Commissioner with the comments referred to in paragraph (b) of this section. Prior to submitting any disapproved applications to the Commissioner, the State educational agency shall comply with its own appeal procedures referred to in § 129.2(b)(3): *Provided*, That these procedures shall not delay the timely submission of applications to the Commissioner pursuant to paragraph (b) of this section. (20 U.S.C. 867a, 867b)

§ 129.5 Parental participation.

An application shall contain such information as the Commissioner may consider necessary which will indicate that the interested parents have been given reasonable notice and opportunity to express their views on the planning and development of the application, and that such notice and opportunity shall be at least as effective as providing access to the application as drafted, with an announcement in a newspaper of general circulation in the area concerning the availability of such application and of an opportunity to review the application and to express views orally or in writing. (20 U.S.C. 867b(b)(1))

§ 129.6 Amendments.

(a) *Submission.* An application must be appropriately amended whenever (1) there is a material change in a pertinent law or in the organization, policies, or operation of the grantee affecting the application or any activity described therein, (2) there is a material change in the content or administration of any such activity, or (3) any activity is added or deleted. Minor deviations referred to in § 129.7 are not deemed to be material changes for the purposes of this paragraph.

(b) *Approval.* Amendments to applications of local educational agencies shall be submitted for review to the State educational agency. Within 30 days after receipt, the State educational agency shall forward the proposed amendment to the Commissioner with recommendations for approval or disapproval. All amendments proposed by State educational agencies to their own applications shall be submitted to the Commissioner for approval. (20 U.S.C. 867a, 867b)

§ 129.7 Minor deviations.

Minor deviations in project operation from those described in the application are permitted without the necessity for an approved amendment (subject to any applicable limitations of Office of Management and Budget Circular No. A–87 (41 CFR Part 1–15.7)) where (a) they do not result in expenditures in excess of the total amount granted, (b) there is not any material change in the content or administration of the approved application, (c) expenditures are otherwise made in accordance with, and for kinds of expenditures authorized in, the approved application, and (d) such deviations will not cause a more than 15 percent variation in the amount in any budget category. (20 U.S.C. 867b)

§ 129.8 Grant awards.

Grant awards may be made by the Commissioner from each State's apportionment for each fiscal year to each State and local educational agency on the basis of approved applications. To simplify payment procedures, the Commissioner may, pursuant to a single instrument, transfer funds under this part to a State agency for the purpose of making payments under approved State and local educational agency grants in that State. The State, as agent, shall subsequently transfer such funds in the appropriate amounts and at appropriate times to those local educational agencies having applications approved by the Commissioner in accordance with this part. Such arrangement shall not affect the responsibility or authority of a local educational agency with an approved application with respect to the administration of its project or otherwise alter the duties and responsibilities of the Commissioner which would prevail with respect to the grant in the absence of such arrangement. (20 U.S.C. 867(c)(3), 867b, 1232d)

§ 129.9 Federal financial participation.

The Federal Government will pay, either in installments in advance on the basis of estimated expenditures or by way of reimbursement of actual costs incurred, from each State's apportionment an amount equal to no more than three-quarters of the sums expended for comprehensive educational planning and evaluation activities under an application approved pursuant to this part. (20 U.S.C. 867b, 1232d)

§ 129.10 Public nature of funds.

The expenditures to be used in computing Federal financial participation must be from public funds. Public funds do not include contributions by private organizations or individuals unless such contributions are deposited in accordance with State law to the account of the applicant without such conditions or restrictions as would negate their public character. (20 U.S.C. 867b)

§ 129.11 Eligible costs.

Federal funds granted under title V–C of the Act may be used for such reasonable and otherwise allowable expenditures as are necessary to carry out the activities for which the grants are made. Allowable expenditures shall be computed in accordance with Office of Management and Budget Circular No. A–87 (41 CFR Part 1–15.7). (20 U.S.C. 867)

§ 129.12 Project and grant periods.

The project period shall begin on the date, and shall remain in effect for the period, specified in the notice of award. A grant of Federal funds will normally be made for only 1 year but need not coincide with a fiscal year. The grantee must make separate application for continuation support beyond a grant period. (20 U.S.C. 867)

§ 129.13 Expenditures by grantees.

The expenditure of funds will be deemed to have occurred at the entering into of binding commitments for the acquisition of goods or property or for the performance of work, except that the expenditure of funds for personal services, for services performed by public utilities, for travel, and for rental of equipment and facilities shall be determined on the basis of the time such services were rendered, such travel was performed, and such rented equipment and facilities were used, respectively. (20 U.S.C. 867, 31 U.S.C. 200)

§ 129.14 Liquidation of obligations.

Obligations entered into by a State educational agency and payable out of funds under this part should ordinarily be liquidated within 12 months following the end of the grant period unless the Commissioner extends the time for so liquidating obligations on the basis of a request from the State agency made prior to the end of the grant period. The same period for liquidating obligations should prevail for grants made to local educational agencies if the State educational agency is similarly notified and extends the time for so liquidating obligations. (20 U.S.C. 867, 1232d, 31 U.S.C. 200)

§ 129.15 Effect of payments and settlement of accounts.

(a) *No waiver.* Neither the approval of an application nor any payment to the grantee pursuant thereto shall be deemed to waive the right or duty of the Commissioner to withhold funds by reason of the failure of the grantee to observe any Federal requirements before or after such administrative action.

(b) *Settlement of accounts.* The final amount to which the grantee is entitled for any period is determined on the basis of actual disbursements under each application with respect to which Federal financial participation is authorized.

(20 U.S.C. 867b, 1232d, 40 Comp. Gen. 242, 247 (1960))

§ 129.16 Fiscal audits and program reviews.

(a) To assist the grantee in adhering to statutory requirements and to the substantive legal and administrative provisions of the approved application, the Commissioner will conduct periodic reviews of the grantee's administrative and programmatic activities under title V–C of the Act.

(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the grantee that are pertinent to the grant received under title V–C of the Act. (20 U.S.C. 1232c)

§ 129.17 Retention of records.

(a) *General rule.* The grantee shall provide for keeping intact and accessible to the Secretary of Health, Education, and Welfare and the Comptroller General of the United States all records supporting claims for funds under this Part or relating to the accountability of such grantee for expenditures of such funds for 3 years after the end of the period for which such funds were made available for expenditure. If, by the end of those 3 years, an audit by or on behalf of the Department has not occurred, the records must be retained until audit or until 5 years following the end of the period for which such funds were made available, whichever is earlier.

(b) *Questioned expenditure.* The records involved in any claim or expenditure which has been questioned shall be further maintained until necessary adjustments have been made and such adjustments have been reviewed and approved by the Department.

(c) *Accountability for equipment.* Where equipment is purchased by the grantee with Federal funds, the grantee shall remain accountable for the equipment unless accountability has been waived pursuant to statutory authority. Upon completion of the project period, the grantee shall submit to the Commissioner a listing of all equipment purchased for the project except where:

(1) The grantee has formally determined that the equipment is no longer serviceable or has a residual value of less than $100; or

(2) The original acquisition cost of the equipment is below the dollar level at which the grantee normally maintains equipment accounts in accordance with its approved accounting system: *Provided,* That, at a minimum, a listing must be furnished on all equipment having an initial acquisition cost of $300 or more; or

(3) Accountability has been waived pursuant to statutory authority. (20 U.S.C. 1232c)

§ 129.18 Adjustments.

The grantee, in its maintenance of program expenditures, accounts, records, and reports, shall make promptly any necessary adjustments in its records to reflect refunds, credits, underpayments, or overpayments, as well as any adjustments resulting from Federal or State administrative reviews and audits. Such adjustments shall be set forth in the State or local educational agency's financial reports filed with the Commissioner. (20 U.S.C. 1232d)

§ 129.19 Reports.

The application shall provide that the grantee will consult periodically with the Commissioner and will make an annual report on the activities carried out with the funds from the grant which includes such information as the Commissioner determines will permit an evaluation of the effectiveness of the program authorized by this part in achieving its purposes. Each grantee shall also make such other reports, in such form and containing such information as the Commissioner may require to carry out his functions under this part. (20 U.S.C. 867c)

§ 129.20 Reapportionment.

(a) *In general.* The amount of any State apportionment under this Part for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reapportionment, from time to time, on such dates during the year as the Commissioner may fix, to other States in proportion to the original apportionment to such States under title V–C of the Act for that year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State and local educational agencies of that State need and will be able to use for such year; and the total of these reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced.

(b) *Statements of anticipated need.* In order to provide a basis for reapportionment by the Commissioner under this section, each State educational agency shall, if requested, submit to the Commissioner, by such date or dates as he may specify, a statement or statements showing the anticipated need during the current fiscal year for the amount previously apportioned, or any amount needed to be added thereto. Such further information as the Commissioner may request for the purpose of making reapportionments shall be reflected in such statements. (20 U.S.C. 867)

[FR Doc.72-16085 Filed 9-20-72;8:52 am]

ENVIRONMENTAL PROTECTION AGENCY

[40 CFR Part 180]

TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

Inorganic Bromides; Proposed Tolerance

The California Department of Agriculture, 1220 N Street, Sacramento, CA 95814, submitted a petition (PP 2E1280) proposing establishment of a tolerance for residues of inorganic bromides resulting from postharvest fumigation with the insecticide methyl bromide in or on the raw agricultural commodity pomegranates at 70 parts per million. Subsequently, the petitioner amended the petition by increasing the proposed tolerance level from 70 parts per million to 100 parts per million.

Based on consideration given the data submitted in the petition and other relevant material, it is concluded that:

1. The insecticide is useful for the purpose for which the tolerance is proposed.

2. There is no reasonable expectation of residues in eggs, meat, milk, or poultry, and § 180.6(a)(3) applies.

3. The proposed tolerance will protect the public health.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(e), 68 Stat. 514; 21 U.S.C. 346a(e)), the authority transferred to the Administrator of the Environmental Protection Agency (35 F.R. 15623), and the authority delegated by the Administrator to the Deputy Assistant Administrator for Pesticides Programs (36 F.R. 9038), it is proposed that § 180.123 be amended by revising the paragraph "100 parts per million in or on copra", as follows:

§ 180.123 Inorganic bromides resulting from fumigation with methyl bromide; tolerances for residues.

* * * * *

100 parts per million in or on copra and pomegranates.

* * * * *

Any person who has registered or submitted an application for the registration of an economic poison under the Federal Insecticide, Fungicide, and Rodenticide Act containing any of the ingredients listed herein may request, within 30 days after publication hereof in the FEDERAL REGISTER, that this proposal be referred to an advisory committee in accordance with section 408(e) of the act.

Interested persons may, within 30 days after publication hereof in the FEDERAL REGISTER, file with the Hearing Clerk, Environmental Protection Agency, Room

3125, South Agriculture Building, 12th Street and Independence Avenue SW., Washington, D.C. 20460, written comments (preferably in quintuplicate) regarding this proposal. Comments may be accompanied by a memorandum or brief in support thereof.

Dated: September 12, 1972.

WILLIAM M. UPHOLT,
Deputy Assistant Administrator for Pesticides Programs.

[FR Doc.72-16080 Filed 9-20-72;8:47 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 73]

[Docket No. 19587; FCC 72-817]

FM BROADCAST STATIONS IN WELLSBORO, PA.

Proposed Table of Assignments

In the matter of amendment of § 73.202(b), *Table of Assignments*, FM Broadcast Stations. (Wellsboro, Pa.), Docket No. 19587, RM-1807.

1. On June 2, 1971 (amended on June 9, 1972) the Farm and Home Broadcasting Co. (Farm and Home) licensee of standard broadcast Station WNBT and FM Station WGCR-FM, both at Wellsboro, Pa., filed a petition with this Commission requesting the deletion of FM Channel 249A, on which WGCR-FM is licensed, from Wellsboro and its replacement with FM Channel 283 in the community. A show cause order is also requested in order to modify Farm and Home's license to operate on Channel 249A to specify operation on Channel 283. No other revisions in our table of assignments were proposed. No oppositions were filed.

2. Tioga County, Pa., has a population of 39,691 persons. Its county seat, Wellsboro, contains 4,003 residents.[1] The only aural broadcast facilities licensed in Tioga County are those of petitioner at Wellsboro, standard broadcast Station WNBT, a Class IV station, and WGCR-FM, which operates on Wellsboro's only FM assignment, Channel 249A.

3. Farm and Home, in its filings, points out that Tioga County is for the most part, an isolated area made up primarily of rural dwellings interspersed with small communities. An examination of the area indicates that the nearest substantial concentrations of population are Elmira, N.Y. (35 miles northeast), Corning, N.Y. (30 miles north), Olean, N.Y. 63 miles northwest),[2] and Williamsport, Lycoming County, Pa. (38 miles southeast).[3] It is alleged that the commercial, governmental, and social activity of the general area, for the most part, originate and take place in its natural hub, Wellsboro, which is centrally located. In addition of offering a showing that Tioga County is an isolated area petitioner offers a showing that Wellsboro, although relatively small, is the natural focal point of activity, and most important community, in Tioga County.[4] In describing the importance of Wellsboro to the isolated region surrounding it Farm and Home advises us of the following major employers located in the community:

Employers	*Approximate No. of employees*
Borden Co	150
Corning Glass Works	500
Dresser Manufacturing Co	170
Governmental Offices, Federal, State and county	120
Mergenthaler Manufacturing Co	300
Soldiers and Sailors Memorial Hospital	160
Wellsboro Area School District	160

The latest statistics available (1967) show that Tioga County had 381 retail establishments with $47,020,000 in sales. Wellsboro's portion of these retail establishments and sales are 77 and $15,437,000, respectively. The last key economic statistics offered refer to banking activity in the community. It is asserted that the Commonwealth Bank and Trust Co. (assets, $76,435,325) and the Citizens and Northern National Bank & Trust Co. (assets, $54,691,000) are both primarily Wellsboro based, controlled and directed institutions, with multiple branches elsewhere.[5] On the overall view the pleadings indicate that the Tioga County area of Pennsylvania, although isolated, has been stable, from an economic view, with the former industries of coal mining and lumber being replaced by light industry, recreation, and tourism. Implicit in petitioner's position is the argument that the economics of the entire area as well as its living standard may very well be advanced by the establishment of a first regional FM broadcast service relaying pertinent local news, information, and entertainment to the entire region which naturally falls in the sphere of influence of Wellsboro.

4. Petitioner's WGCR-FM operates with maximum facilities on Class A Channel 249. It demonstrates that its operation cannot serve the entire area it wishes to serve, as described above. Its engineering showing indicates that a maximum facility operation on Class B Channel 283 would provide service within the 1 mv/m contour to 124,367 persons in an area of 3,424 square miles, a gain in service over its present operation of 107,079 persons in an area of 2,816 square miles. Such a station would provide a first service to 4,129 persons in an area of 272 square miles and a second service to 20,904 persons in an area of 1,152 square miles, or a first service to the gained area of 3.9 percent of the population and 9.7 percent of the area and a second service to 19.5 percent of the population and 41 percent of the area. Farm and Home's pleadings also indicate that Channel 283 can only be assigned to a small area in which Wellsboro is clearly the most substantial community. Its preclusion study indicates that the only channels affected by the assignment of Channel 283 to Wellsboro are Channels 280A and 285A. Additional engineering studies note that Channel 249A, on its deletion from Wellsboro, can be assigned in the precluded areas. Indeed, Channel 249A, on its deletion from Wellsboro, can be assigned to a substantial area containing 28 communities, with populations between 1,000 and 6,000, which do not presently have an FM assignment. Also, Channel 261A can be assigned to those areas where the assignment of Channel 283 precludes the assignment of Channel 280A. In conclusion, the fact that no existing station other than WGCR-FM will be affected by the substitution of Channel 283 for Channel 249A at Wellsboro is underscored by petitioner.

5. Farm and Home has requested that this Commission issue a show cause order, on any adoption of its proposed channel interchange at Wellsboro, which would look toward modifying its license for WGCR-FM to specify operation on Channel 283 rather than Channel 249A. The petitioner states that the licensee of WGMR-FM, Tyrone, Pa., is also president of the WGCR-FM licensee located at Wellsboro, Pa. Engineering data is included with the petition in support of the claim that the 1 mv/m contours of these two FM stations do not overlap and would not overlap even if both stations were to operate with maximum facilities. We have examined this matter in light of our multiple ownership rules (§ 73.240 (a)(1)) and have come to the conclusion that petitioner appears to have demonstrated that WGMR-FM and WGCR-FM, both as Class B stations with maximum facilities, will not have any prohibited overlap of their 1 mv/m contours.

6. In view of the foregoing, we have come to the judgment that it is in the public interest to set forth petitioner's proposal to delete FM Channel 249A from Wellsboro, Pa., and to replace it in that community with FM Channel 283. We do so, in this rule making proceeding, in order to explore the public interest factors involved in such an assignment.

7. With the above material and public interest finding before us, we propose, for consideration, the following revisions in our FM table of assignments (§ 73.202 (b) of our rules) with respect to the city listed below:

[1] Population figures cited are from the 1970 U.S. Census unless otherwise specified.

[2] Farm and Home emphasizes that these are New York communities which in its view have no close relationship to Pennsylvania's Tioga County.

[3] Distances given are in airlines miles. Over road distances are considerably longer in view of the topography of the area.

[4] The 1970 Census indicates that Mansfield, Pa., approximately 12 miles distant from Wellsboro, has a population of 4,114. Petitioner points out that although Census figures indicate that Mansfield is larger than Wellsboro it in reality is substantially smaller than Wellsboro if only permanent residents are considered since a large portion of Mansfield's Census population is made up of students attending the Mansfield State College.

[5] Petitioner's showing indicates that both these institutions have legal headquarters in Lycoming County only to meet requirements of the Pennsylvania banking law with regard to regulations controlling the establishment of intercounty branches.

City	Channel No.	
	Present	Proposed
Wellsboro, Pa.	249A	283

In addition to this reassignment proposal, Farm and Home Broadcasting Co. is hereby advised that if it is determined to be in the public interest to replace Channel 249A with Channel 283 in Wellsboro, Pa., in this rule making proceeding, a show cause order, looking toward the modification of the license for WGCR–FM to specify operation on Channel 283 rather than Channel 249A, will be issued as part of any final decision in this matter.

8. Authority for the actions proposed herein is contained in sections 4(i), 303, 307(b), and 316 of the Communications Act of 1934, as amended.

9. *Showings required.* All proponents of the proposed assignment should file comments with respect to the need for it. They may do so, in large part, by describing the economics, sociology, and importance of the subject community and the area proposed to be served and the relationship between the community and area to be served. This is in order to give the Commission the information it must have to render the required judgment that the assignment would be in the public interest. In the event petitioner is of the view that an adequate public interest showing has been made, a comment should be filed incorporating former pleadings by reference and expressing a continuing interest in the proposal. Failure to file may lead to denial of the request.

10. *Cut-off procedures.* The following procedures will govern the consideration of filings in this proceeding:

(a) Counterproposals advanced in this proceeding itself will be considered, if advanced in initial comments, so that parties may comment on them in reply comments. They will not be considered, if advanced in reply comments.

(b) With respect to petitions for rule making which conflict with the proposal in this notice, they will be considered as comments in the proceeding, and public notice to this effect will be given, as long as they are filed before the date for filing initial comments herein. If filed later than that, they will not be considered in connection with the decision in this docket.

11. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules and regulations, interested parties may file comments on or before October 31, 1972, and reply comments on or before November 10, 1972. All submissions by parties to this proceeding or persons acting on behalf of such parties must be made in written comments reply comments, or other appropriate pleadings.

12. In accordance with the provisions of § 1.419 of the Commission's rules and regulations, an original and fourteen copies of all comments, reply comments, pleadings, briefs, or other documents shall be furnished the Commission.

13. All filings made in this proceeding will be available for examination by interested parties during regular business hours in the Commission's public reference room at its Headquarters in Washington, D.C. (1919 M Street, NW.).

Adopted: September 13, 1972.

Released: September 19, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[6]

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.72-16115 Filed 9-20-72;8:50 am]

SELECTIVE SERVICE SYSTEM

[32 CFR Part 1604]

OATH OF WITNESSES

Proposed Revocation

Pursuant to the Military Selective Service Act, as amended (50 United States Code App., sections 451 et seq.), and § 1604.1 of Selective Service Regulations (32 CFR 1604.1), the Director of Selective Service hereby gives public notice that consideration is being given to the following proposed amendments to the Selective Service Regulations constituting a portion of Chapter XVI of the Code of Federal Regulations. These regulations implement the Military Selective Service Act, as amended (50 United States Code App., sections 451 et seq.).

All persons who desire to submit views to the Director on the proposals should prepare them in writing and mail them to the General Counsel, National Headquarters, Selective Service System, 1724 F Street NW., Washington, DC, 20435, within 30 days following the publication of this notice in the FEDERAL REGISTER.

The proposed amendments follow:

Section 1604.57 *Oath of witnesses,* is revoked.

BYRON V. PEPITONE,
Acting Director.

SEPTEMBER 12, 1972.

[FR Doc.72-16072 Filed 9-20-72;8:51 am]

[32 CFR Part 1631]

INDUCTIONS

Action by Local Board Upon Receipt of Allocations

Pursuant to the Military Selective Service Act, as amended (50 United States Code App., sections 451 et seq.), and Executive Order No. 11623 dated October 12, 1971, the Director of Selective Service hereby gives public notice that consideration is being given to the following proposed amendments to the Selective Service Regulations constituting a portion of Chapter XVI of the Code of Federal Regulations. These Regulations implement the Military Selective Service Act, as amended (50 United States Code App., sections 451 et seq.).

All persons who desire to submit views to the Director on the proposals should prepare them in writing and mail them to the General Counsel, National Headquarters, Selective Service System, 1724 F Street NW., Washington, DC, 20435, within 30 days following the publication of this notice in the FEDERAL REGISTER.

The proposed amendments follow:

The first sentence of paragraph (b) and paragraph (d)(5) of § 1631.6 are amended to read as follows:

§ 1631.6 Action by local board upon receipt of allocation.

* * * * *

(b) Registrants shall be selected and ordered to report for induction in the following categories and in the order indicated: *Provided,* That a registrant who has been identified, in accord with procedures prescribed by the Director of Selective Service, as one who will become a member of category (2) or (3) on the next January 1 may, prior to December 31, be selected and ordered to report for induction in January, and such order to report for induction shall be canceled if such registrant does not become a member of either category on January 1.

* * * * *

(d) * * *

(5) Any registrant who for 90 consecutive days remains a member of the Extended Priority Selection Group, fully available for induction or alternate service, and whose RSN is not reached in the Extended Priority Selection Group during those 90 days, shall be assigned to the Second Priority Selection Group. A registrant in the 1972 Extended Priority Selection Group will be deemed to be fully available for induction or alternate service on any day in 1972 that he is a member of the Extended Priority Selection Group.

* * * * *

BYRON V. PEPITONE,
Acting Director.

SEPTEMBER 18, 1972.

[FR Doc.72-16071 Filed 9-20-72;8:51 am]

[6] Commissioners Reid and Robert E. Lee and Reid absent.

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Part 570]

EMPLOYMENT OF MINORS BETWEEN 14 AND 16 YEARS OF AGE

Withdrawal of Experimental Summer Project for Crabmeat Pickers (Blue Crabs Only) on Atlantic and Gulf Coasts

A proposal to permit the employment of 14- to 16-year-old minors to pick blue crabmeat under an experimental deviation for the 1972 and 1973 summer school vacation periods from Subpart C of Part 570 was published in the FEDERAL REGISTER on May 26, 1972 (37 F.R. 10672).

After consideration of all material submitted in response to the proposal, it is hereby determined that such deviation will not be authorized for lack of a clear showing (1) that such deviation would enure to the well being of such minors and (2) that persons 16 years of age or older are not available for such employment.

Accordingly, the proposal is withdrawn.

Signed at Washington, D.C., this 15th day of September 1972.

J. D. HODGSON,
Secretary of Labor.

[FR Doc.72-16106 Filed 9-20-72;8:47 am]

FEDERAL POWER COMMISSION

[18 CFR Part 2]

[Docket No. R-389A]

INITIAL RATES FOR FUTURE SALES OF NATURAL GAS FOR ALL AREAS

Notice Updating Nationwide Investigation

SEPTEMBER 12, 1972.

In our notice of July 17, 1970, in Docket No. R-389A, we commented on the problems that all interstate pipelines experience in obtaining new natural gas supplies and therefore expanded our investigation, initially directed in Docket No. R-389 to the Permian Basin Area intrastate sales, to a nationwide investigation of the prices and other relevant data on intrastate sales of natural gas throughout the United States, except Hawaii and Alaska. Following staff's investigation, reports thereon were filed in Docket No. R-389 on August 14, 1970, and in Docket No. R-389A on September 9, 1970. Thereafter, on September 2, 1971, in an effort to remain informed of current developments in the intrastate market throughout the nation, we initiated a supplemental nationwide investigation designed to update the Commission's two previous reports.

Recognizing that availability of current data on the intrastate market of natural gas is essential to a complete understanding of the problems prevailing in the interstate market we believe the above-mentioned reports should again be updated.

Take notice that:

(1) The Commission shall update its investigation as instituted by notices issued on June 17, 1970, in Docket No. R-389, and as expanded on July 17, 1970, and supplemented on September 2, 1971, in Docket No. R-389A, with respect to the prices and other relevant data on significant intrastate sales of natural gas under contracts dated on and after September 15, 1971.

(2) For the purpose of the aforesaid investigation Robert W. Perdue, staff attorney, is hereby designated as an officer of this Commission and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant and material to the inquiry, and to perform all other duties in connection therewith as prescribed by law. Nothing herein shall require that all depositions or other information obtained by subpoena duces tecum be publicly conducted or filed as a submittal in this docket.

(3) A questionnaire in substantially the same form as heretofore utilized in obtaining data in these proceedings will be submitted to those producers who contributed relevant data for the previous reports. Unlike the previous investigations, all responses will be made at the Federal Power Commission Offices in Washington, D.C. Such responses will be submitted in hand at Room 2923, 441 G Street NW., Washington, DC, in a sealed envelope plainly marked "Confidential" on or before September 29, 1972. Any questions regarding said forms should be directed to Mr. Perdue who may be reached by telephone at 202—386-4323.

(4) The report filed by the aforementioned officer in compliance herewith shall be submitted on a composite basis, and the individual company information received as a result of this investigation will be kept in a confidential status in accordance with the provisions of section 8(b) of the Natural Gas Act, and section 3(b)(9) of the Freedom of Information Act.

(5) The Secretary shall cause prompt publication of this notice to be made in the FEDERAL REGISTER.

By direction of the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-16069 Filed 9-20-72;8:47 am]

Notices

DEPARTMENT OF THE TREASURY

Bureau of Customs

COLLAPSIBLE BABY STROLLERS FROM JAPAN

Withholding of Appraisement Notice

Information was received on February 17, 1972, that collapsible baby strollers, designed as folding strollers to be carried on the arm when not in use, from Japan were being sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). This information was the subject of an "Antidumping Proceeding Notice" which specified "collapsible baby strollers" and which was published in the FEDERAL REGISTER of March 15, 1972, on page 5397. The "Antidumping Proceeding Notice" indicated that there was evidence on record concerning injury to or likelihood of injury to or prevention of establishment of an industry in the United States.

Pursuant to section 201(b) of the Act (19 U.S.C. 160(b)), notice is hereby given that there are reasonable grounds to believe or suspect that the purchase price (section 203 of the Act; 19 U.S.C. 162) of collapsible baby strollers, designed as folding strollers to be carried on the arm when not in use, from Japan is less, or likely to be less, than the foreign market value (section 205 of the Act; 19 U.S.C. 164.)

Statement of reasons. Information currently before the Bureau tends to indicate there are sufficient sales of collapsible baby strollers, designed as folding strollers to be carried on the arm when not in use, in the home market to provide an adequate basis of comparison for fair value purposes.

Accordingly, the probable basis of comparison for fair value purposes will be between purchase price and the adjusted home market price of such or similar merchandise.

Preliminary analysis suggests that purchase price will probably be calculated on an ex-factory basis with no deductions.

It appears that home market price will probably be calculated on a f.o.b. delivered price with deductions for inland freight, deferred rebates, interest charges and royalty charges. An appropriate adjustment will probably be made for packing.

Using the above criteria, there are reasonable grounds to believe or suspect that purchase price will be lower than the adjusted home market price.

Customs officers are being directed to withhold appraisement of collapsible baby strollers, designed as folding strollers to be carried on the arm when not in use, from Japan in accordance with § 153.48, Customs regulations (19 CFR 153.48).

In accordance with §§ 153.32(b) and 153.37, Customs regulations (19 CFR 153.32(b), 153.37), interested parties may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

Any requests that the Secretary of the Treasury afford an opportunity to present oral views should be addressed to the Commissioner of Customs, 2100 K Street NW., Washington, DC 20226, in time to be received by his office not later than 10 calendar days from the date of publication of this notice in the FEDERAL REGISTER.

Any written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received by his office not later than 30 days from the date of publication of this notice in the FEDERAL REGISTER.

This notice, which is published pursuant to § 153.34(b), Customs regulations, shall become effective upon publication in the FEDERAL REGISTER. It shall cease to be effective at the expiration of 6 months from the date of such publication, unless previously revoked.

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

Approved: September 15, 1972.

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[FR Doc.72-16136 Filed 9-20-72;8:53 am]

MICROWAVE OVENS FROM JAPAN

Antidumping Proceeding Notice

On August 11, 1972, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), indicating a possibility that microwave ovens from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

There is evidence on record concerning injury to or likelihood of injury to or prevention of establishment of an industry in the United States.

Having conducted a summary investigation as required by § 153.29 of the Customs regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the Bureau of Customs is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold for exportation to the United States are less than the prices for home consumption.

This notice is published pursuant to § 153.30 of the Customs regulations (19 CFR 153.30).

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

Approved: September 15, 1972.

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[FR Doc.72-16137 Filed 9-20-72;8:53 am]

Office of the Secretary

PRINTERS' RUBBERIZED BLANKETS FROM THE UNITED KINGDOM

Notice of Tentative Negative Determination

SEPTEMBER 15, 1972.

Informaton was received on November 23, 1971, that printers' rubberized blankets from the United Kingdom were being sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). This information was the subject of an "Antidumping Proceeding Notice" which was published in the FEDERAL REGISTER of February 11, 1972, on page 3061.

I hereby make a tentative determination that printers' rubberized blankets from the United Kingdom are not being, nor likely to be, sold at less than fair value within the meaning of section 201(a) of the Act (19 U.S.C. 160(a)).

Statement of reasons on which this tentative determination is based. The investigation revealed that the proper basis of comparison is between purchase price and the adjusted home market price of such or similar merchandise.

Purchase price was calculated by deducting from f.o.b. port of export price, inland freight and insurance.

Home market price for such or similar merchandise was calculated by deducting cash discount, inland freight and insurance from the c.i.f. delivered price. Adjustments were made for advertising expenses and differences in export packing.

Comparisons between purchase price and adjusted home market price revealed that purchase price was not lower than the adjusted home market price.

Interested parties may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

Any requests that the Secretary of the Treasury afford an opportunity to present oral views should be addressed to the Commissioner of Customs, 2100 K Street NW., Washington, DC 20226, in time to be received by his office not later than 10 calendar days from the date of publication of this notice in the FEDERAL REGISTER.

Any written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received by his office not later than 30 days from the date of publication of this notice in the FEDERAL REGISTER.

This tentative determination and the statement of reasons therefor are published pursuant to §§ 153.14 and 153.33 of the Customs regulations (10 CFR 153.14, 153.33).

[SEAL] EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

SEPTEMBER 15, 1972.

[FR Doc.72-16138 Filed 9-20-72;8:53 am]

STAINLESS STEEL SHEET FROM JAPAN

Notice of Discontinuance of Antidumping Investigation

SEPTEMBER 15, 1972.

On May 27, 1972, there was published in the FEDERAL REGISTER a "Notice of Intent to Discontinue Antidumping Investigation" of stainless steel sheet from Japan.

The statement of reasons for intending to discontinue this investigation was published in the above-mentioned notice, and interested parties were afforded an opportunity to make written submissions and to present oral views in connection with the intended action.

No written submissions or requests having been received and for the reasons stated in the "Notice of Intent to Discontinue Antidumping Investigation," I hereby discontinue the antidumping investigation of stainless steel sheet from Japan.

This "Notice of Discontinuance of Antidumping Investigation" is published pursuant to § 153.15(b) of the Customs regulations (19 CFR 153.15(b)).

[SEAL] EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

SEPTEMBER 15, 1972.

[FR Doc.72-16135 Filed 9-20-72;8:53 am]

DEPARTMENT OF STATE

Agency for International Development

FOUNDATION FOR AIRBORNE RELIEF, INC.

Register of Voluntary Foreign Aid Agencies

In accordance with the regulations of the Agency for International Development concerning Registration of Agencies for Voluntary Foreign Aid (A.I.D. Regulation 3) 22 CFR Part 203, promulgated pursuant to section 621 of the Foreign Assistance Act of 1961, as amended, notice is hereby given that a certificate of registration as a voluntary foreign aid agency has been issued by the Advisory Committee on Voluntary Foreign Aid of the Agency for International Development to the following agency:

The Foundation for Airborne Relief, Inc., 2680 East Wardlow Road, Long Beach, CA 90807

Dated: September 13, 1972.

JAROLD A. KIEFFER,
Assistant Administrator, Bureau for Population and Humanitarian Assistance.

[FR Doc.72-16065 Filed 9-20-72;8:47 am]

OXFAM-AMERICA, INC.

Register of Voluntary Foreign Aid Agencies

In accordance with the regulations of the Agency for International Development concerning Registration of Agencies for Voluntary Foreign Aid (A.I.D. Regulation 3) 32 CFR Part 203, promulgated pursuant to section 621 of the Foreign Assistance Act of 1961, as amended, notice is hereby given that a Certificate of Registration as a voluntary foreign aid agency has been issued by the Advisory Committee on Voluntary Foreign Aid of the Agency for International Development to the following agency:

Oxfam-America, Inc., 1028 Connecticut Avenue NW., Washington, DC 20036.

Dated: September 13, 1972.

JAROLD A. KIEFFER,
Assistant Administrator, Bureal for Population and Humanitarian Assistance.

[FR Doc.72-16064 Filed 9-20-72;8:47 am]

DEPARTMENT OF THE INTERIOR

Office of the Secretary

[DES 72-90]

FIVE YEAR EXTENSION FOR RESEARCH AND DEVELOPMENT

Notice of Availability of Draft Environmental Statement

Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, the Department of the Interior, Office of Saline Water has prepared a draft environmental statement for its 5-year extension (from FY 73-77) of research and development projects and programs, Public Law 92-60, and invites written comment within forty-five (45) days of this notice.

Copies are available for inspection at the following location:

Office of Saline Water, Room 5026, Department of the Interior, Washington, D.C. 20240, telephone (202) 343-4854

Single copies may be obtained by writing the Office of Saline Water. In addition copies are available from the National Technical Information Service, Department of Commerce, Springfield, Va. 22151. Please refer to the statement number above.

Dated: September 14, 1972.

W. W. LYONS,
Deputy Assistant Secretary of the Interior.

[FR Doc.72-16049 Filed 9-20-72;8:46 am]

WILLIAM K. PENCE

Report of Appointment and Statement of Financial Interests

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 K. Pence.

Name of employing agency: Department of the Interior, Defense Electric Power Administration.

The title of the appointee's position: Deputy Director, DEPA Area 5.

The name of the appointee's private employer or employers: The Detroit Edison Co.

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 5, 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:

Computer Sciences Corp.

(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 K. PENCE.

AUGUST 18, 1972.

[FR Doc.72-16058 Filed 9-20-72;8:46 am]

DEPARTMENT OF COMMERCE

Office of Import Programs

COLGATE UNIVERSITY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897), and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00512-99-46040. Applicant: Colgate University, Hamilton, N.Y. 13346. Article: Electron microscope, Model EM 9S-2. Manufacturer: Carl Zeiss, West Germany. Intended use of article: The article is intended to be used in the course entitled "Ultrastructural Cytology: Principles of Electron Microscopy" to introduce the students to the theory and techniques employed in working with plant and animal tissues at the ultrastructural level. Each student will be trained in how to prepare tissues for sectioning, how to use the ultramicrotome for obtaining sections, how to use the electron microscope to obtain high quality micrographs for interpretation and study, and finally how to interpret these micrographs.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The applicant requires an electron microscope which is suitable for instruction in the basic principles of electron microscopy. The foreign article is a relatively simple, medium resolution electron microscope designed for confident use by beginning students with a minimum of detailed programing. The most closely comparable domestic instrument is the Model EMU-4C electron microscope manufactured by the Forgflo Corp. The Model EMU-4C electron microscope is a relatively complex instrument designed for research, which requires a skilled electron microscopist for its operation. We are advised by the Department of Health, Education, and Welfare (HEW) in its memorandum dated August 25, 1972, that the relative simplicity of design and ease of operation of the foreign article is pertinent to the applicant's educational purposes. We, therefore, find that the Model EMU-4C electron microscope is not of equivalent scientific value to the foreign article for such purposes as this article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director, Office of Import Programs.

[FR Doc.72-16089 Filed 9-20-72;8:48 am]

COLUMBIA UNIVERSITY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897), and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00494-75-20700. Applicant: Columbia University, Nevis Laboratories, Post Office Box 137, 136 South Broadway, Irvington, NY 10533. Article: Lead glass blocks. Manufacturer: Ohara Optical Glass Manufacturing Co., Ltd., Japan. Intended use of article: The article is intended to be used in an elementary particle physics experiment. The lead glass will be mated to photomultiplier tubes and associated electronics and the assembly used to detect very high energy electrons and protons which deposit all their energy in the lead glass.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The applicant require glass suitable for the construction of Cerenkov radiation detectors. We are advised by the National Bureau of Standards (NBS) in its memorandum dated August 31, 1972, that glass for use in Cerenkov radiation detectors must have a high lead content for the formation of Cerenkov radiation and sufficient optical transmission and clarity for this visable radiation to exit the glass for detection. NBS advises that the foreign article satisfies these pertinent requirements and that it knows of no domestic manufacturer of items scientifically equivalent to the foreign article for the applicant's intended use.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director, Office of Import Programs.

[FR Doc.72-16090 Filed 9-20-72;8:48 am]

DUKE UNIVERSITY MEDICAL SCHOOL

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00404-33-46040. Applicant: Duke University Medical School, Box 2926, Durham, NC 27710. Article: Electron microscope, Model Elmiskop IA and accessories. Manufacturer: Siemens AG, West Germany. Intended use of article: The article is intended to be used to examine tissues and cells of tumors or cancers of chickens or mammals diseased with viruses. These specimens will be studied to determine the characters of cell response to virus by study of the fine structure of the tumor cells at high magnification.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The foreign article has a specified resolving capability of 3.5 angstroms. The most closely comparable domestic instrument is the Model EMU-4C electron microscope manufactured by the Forgflo Corp. The Model EMU-4C has a specified resolving capability of 5 angstroms. (The lower the numerical rating in terms of angstrom units, the better the resolving capability.) We are advised by the Department of Health, Education, and Welfare in its memorandum dated August 25, 1972, that the additional resolving capability of the foreign article is pertinent to the purposes for which the foreign article is intended to be used. We, therefore, find that the Model EMU-4C is not of equivalent scientific value to the foreign article for such purposes as the article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16091 Filed 9-20-72;8:48 am]

FLORIDA TECHNOLOGICAL UNIVERSITY

Notice of Consolidated Decision on Applications for Duty-Free Entry of Ultramicrotomes

The following is a consolidated decision on applications for duty-free entry of ultramicrotomes pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.11(e).)

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00536-33-46500. Applicant: Florida Technological University,

Post Office Box 25000, Orlando, FL 32816. Article: Ultramicrotome, Model OM U2. Manufacturer: C. Reichert Optische Werke AG, Austria. Intended use of article: The article is intended to be used in the study of organism at cellular and ultracellular levels for preparation of utrathin sections. Experiments will include microscopic examination of the ultrastructure of the wall structure of the bitunic ascus, plant sphaerosome ontogeny and sodium transport in animal tissue related to leukemia, and ultrastructure of living and nonliving components of sewage flock. The article will also be used in the following courses: Biology 420—Cytology; Botany 421—Mycology; Zoology 310—Histological Technique; Zoology, Microbiology, Botany, Biology 498—Independent Study; Zoology, Microbiology, Botany, Biology 499—Undergraduate Research.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: Examination of the applicant's thin sections under the electron microscope will provide optimal information when such sections are uniform in thickness and have smoothly cut surfaces. Conditions for obtaining high quality sections depend to a large extent on the properties of the specimen being sectioned (e.g., hardness consistency, toughness, etc.), the properties of the embedding media and the geometry of the block. In connection with a prior case (Docket No. 69-00118-33-46500) which relates to the duty-free entry of an identical foreign article, the Department of Health, Education, and Welfare (HEW) advised that "Smooth cuts are obtained when the speed of cutting (among such [other] obvious factors as knife edge condition and angle), is adjusted to the characteristics of the material being sectioned." In connection with another prior case (Docket No. 69-00665-33-46500) relating to the duty-free entry of a similar foreign article, HEW advised that the range of cutting speeds and a capability for the higher cutting speeds is * * * a pertinent characteristic of the ultramicrotome to be used for sectioning materials that experience has shown difficult to section. In connection with still another prior case (Docket No. 70-00077-33-46500) relating to the duty-free entry of a similar foreign article, HEW advised that "ultrathin sectioning of a variety of tissues having a wide range in density, hardness etc." requires a maximum range in cutting speed and, further, that "The production of ultrathin serial sections of specimens that have great variation in physical properties is very difficult." The foreign article has a cutting speed range of 0.5 to 20 millimeters/second (mm./sec.). The most closely comparable domestic instrument is the Model MT-2B ultramicrotome manufactured by Ivan Sorvall, Inc. (Sorvall). The Sorvall Model MT-2B ultramicrotome has a cutting speed range of 0.09 to 3.2 mm./sec. We are advised by HEW in its memorandum of September 1, 1972, that cutting speeds in excess of 4 mm./sec. are pertinent to the applicant's research studies. We, therefore, find that the Model MT-2B ultramicrotome is not of equivalent scientific value to the foreign article for such purposes as this article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16092 Filed 9-20-72;8:48 am]

HARBOR GENERAL HOSPITAL

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00360-33-46040. Applicant: Harbor General Hospital, 1000 West Carson Street, Torrance, CA 90506. Article: Electron microscope, Model HU-11E. Manufacturer: Hitachi Ltd., Japan. Intended use of article: The article is intended to be used to study (a) isolated spermatozoa and ova and the fertilization process of humans and animals; (b) biopsies of kidneys, livers, brains, muscles, skin, and bone marrows of patients affected by a variety of diseases; and (c) developing organs of embryos from mouse, rabbit, and woman. The investigations are aimed at obtaining a better understanding of the various aspects of the fertilization process and of the lesions produced by diseases on a variety of organs. The article will also be used for educational purposes in the training of pathology interns and residents and post-doctoral fellows in reproductive biology.

Comments: No comments have been received with respect to this application.

Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States.

Reasons: The foreign article provides a continuous magnification from 250 to 400,000 magnifications, without changing the pole-piece. The most closely comparable domestic instrument is the Model EMU-4C manufactured by the Forgflo Corp. The Model EMU-4C, with its standard pole-piece, has a specified range from 1,400 to 240,000 magnifications. For survey and scanning, the lower end of this range can be reduced to 200 magnifications or less. But the continued reduction of magnification induces an increasingly greater distortion. The domestic manufacturer suggests in its literature on the Model EMU-4C that for highest quality, low magnification electron micrographs in the magnification range between 500 and 70,000 magnifications, an optional low magnification pole-piece should be used. Changing the pole-piece on the Model EMU-4C requires a break in the vacuum of the column. We are advised by the Department of Health, Education, and Welfare (HEW) in its memorandum dated August 25, 1972, that the applicant requires the capability of taking high-quality micrographs at low magnifications in order to achieve the purposes for which the article is intended to be used.

HEW further advises that breaking the vacuum in the column induces the danger of contamination which would very likely lead to the failure of the experiment. Therefore, the capability of moving from 250 to 400,000 magnifications without changing pole-pieces, while at the same time providing high-quality micrographs at low magnifications, is considered to be a pertinent characteristic. For these reasons, we find that the Model EMU-4C is not of equivalent scientific value to the foreign article for such purposes as this article is intended to be used. The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16093 Filed 9-20-72;8:48 am]

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00571-25-41700. Applicant: Massachusetts Institute of Technology, 77 Massachusetts Avenue, Cambridge, MA 02139. Article: Laser, Model TEA-103. Manufacturer: Lumonics Research, Ltd., Canada. Intended use of article: The article is intended to be used for optical pumping experiments in very narrow energy gap semiconductors. It will also be used to study the effect of infrared radiation on biological systems with the hope of achieving instantaneous

sterilization of medical equipment, foods and processing machinery. A third application is the heat treatment of metals using the thermal spike generated by the laser which can heat metal surface to the melting point in 2×10^{-7} sec. This research will be carried out as part of the graduate training of students at M.I.T.

Comments: No comments have been received with respect to this application.

Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States.

Reasons: The foreign article provides high energies in the 2.8 to 10.6 micron wavelengths range. We are advised by the Department of Health, Education, and Welfare (HEW) in its memorandum dated September 1, 1972, that the characteristic of the article described above is pertinent to the applicant's research studies. HEW further advises that it knows of no comparable domestic instrument that matches the pertinent characteristic of the article.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16095 Filed 9-20-72;8:48 am]

MERCH INSTITUTE FOR THERAPEUTIC RESEARCH ET AL.

Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes

The following is a consolidated decision on applications for duty-free entry of electron microscopes pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.11(e).)

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00525-33-46040. Applicant: Merck Institute for Therapeutic Research, West Point, Pa. 19486. Article: Electron microscope, Model EM 300. Manufacturer: Philips electronic instruments NVD, The Netherlands. Intended use of article: The article is intended to be used to study structures near the resolution limit, specifically, changes in cellular subunits, membranes, etc., that are induced in transformed cells and viruses of known or suspected oncogenicity. Application received by Commissioner of Customs: April 28, 1972. Advice submitted by Department of Health, Education, and Welfare on: September 1, 1972.

Docket No. 72-00526-33-46040. Applicant: Children's Hospital Medical Center, 300 Longwood Avenue, Boston, MA 02115. Article: Electron microscope, Model EM 300. Manufacturer: Philips electronic instruments NVD, The Netherlands. Intended use of article: The article is intended to be used in the investigation of the ultrastructural basis for altered renal function in immunological disease of childhood. The investigation involves the study of ultrathin sections of kidneys from animals in which a variety of immune complex diseases have been induced, as well as renal biopsies from selected patients suffering immunological renal disease. In addition, the article is intended to be used for the training of selected graduate and postdoctoral students in the application of electron microscopy to the study of human disease. Application received by Commissioner of Customs: April 28, 1972. Advice submitted by Department of Health, Education, and Welfare on: September 1, 1972.

Docket No. 72-00546-33-46040. Applicant: University of Iowa, Department of Anatomy, University of Iowa Hospitals, 356 Medical Laboratories, Iowa City, Iowa 52240. Article: Electron microscope Model EM 300. Manufacturer: Philips Electronic Instruments NVD, The Netherlands. Intended use of article: The article is intended to be used for ultrastructural studies on human pituitary tissue obtained from surgical and autopsy material. These studies will be coordinated with and complement conventional light microscopic observations in an ongoing comprehensive survey of the human pituitary disease states. Application received by Commissioner of Customs: May 10, 1972. Advice submitted by Department of Health, Education, and Welfare on: September 1, 1972.

Comments: No comments have been received in regard to any of the foregoing applications.

Decision: Applications approved. No instrument or apparatus of equivalent scientific value to the foreign articles, for the purposes for which the articles are intended to be used, is being manufactured in the United States.

Reasons: Each foreign article has a specified resolving capability of 3.5 angstroms. The most closely comparable domestic instrument is the Model EMU-4C electron microscope which is manufactured by the Forgflo Corp. (Forgflo). The Model EMU-4C has a specified resolving capability of five angstroms. (Resolving capability bears an inverse relationship to its numerical rating in angstrom units, i.e., the lower the rating, the better the resolving capability.) We are advised by the Department of Health, Education, and Welfare in the respectively cited memoranda, that the additional resolving capability of the foreign articles is pertinent to the purposes for which each of the foreign articles to which the foregoing applications relate is intended to be used. We, therefore, find that the Forgflo Model EMU-4C is not of equivalent scientific value to any of the articles to which the foregoing applications relate, for such purposes as these articles are intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to any of the foreign articles to which the foregoing applications relate, for such purposes as these articles are intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16096 Filed 9-20-72;8:48 am]

MIAMI UNIVERSITY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00569-33-43780. Applicant: Miami University, Oxford, Ohio 45056. Article: Scissors, MC-51, Vannas-Wolff's angled, 7mm. blades. Manufacturer: Moria-Dugast S.A., France. Intended use of article: The article is intended to be used for microsurgery performed upon insects, specifically for the removal of the brain and small samples of other organs or tissues.

Comments: No comments have been received with respect to this application.

Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States.

Reasons: The Department of Health, Education, and Welfare (HEW) advises in its memorandum dated September 1, 1972, that the small size and angled design provided by the article is pertinent to the applicant's microsurgical studies. HEW further advises that it knows of no comparable domestic instrument of equivalent scientific value to the foreign article for the applicant's intended purposes.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16094 Filed 9-20-72;8:48 am]

NEW YORK STATE INSTITUTE FOR RESEARCH IN MENTAL RETARDATION AND ALBERT EINSTEIN COLLEGE OF MEDICINE

Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes

The following is a consolidated decision on applications for duty-free entry of electron microscopes pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897), and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.11(e).)

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00380-33-46040. Applicant: NYS Institute for Research in Mental Retardation, 1050 Forest Hill Road, Staten Island, NY 10314. Article: Electron microscope, Model HU-11E. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article is intended to be used for research which will include the examination of tissue from mentally retarded children and also from patients with diseases known to be associated with mental retardation. Similar diseases induced in experimental animals will also be studied. The effects of various agents on tissue cultures of the nervous system will be examined at the fine structural level. The possibility that some disease of unknown etiology may be caused by viral agents will be investigated. Furthermore, metabolic and genetic abnormalities will be studied. The article will also be used for instruction in the techniques of electron microscopy. Application received by Commissioner of Customs: February 9, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Docket No. 72-00399-33-46040. Applicant: Albert Einstein College of Medicine, 1300 Morris Park Avenue, Bronx, NY 10461. Article: Electron microscope, Model HU-12. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article is intended to be used in studies pertaining to ongoing problems in the pathology department. These studies include characterization of lecithin molecules on the surface film of the alveolar lining layer, its distribution, its organization and its association with other materials such as protein and carbohydrates. These studies will also involve the investigation of fine structural analysis of RNA particles in the nucleolus, the assembly of RNA in the cytoplasm and the study of granular endoplasmic reticulum of the developing normal fetal lung and the lungs under the influence of cortisone. In relation to the accelerated maturation of the pulmonary epithelium, morphometry of the lung will also be performed. Application received by Commissioner of Customs: February 22, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Comments: No comments have been received in regard to any of the foregoing applications. Decision: Applications approved. No instrument or apparatus of equivalent scientific value to the foreign articles, for the purposes for which the articles are intended to be used, is being manufactured in the United States. Reasons: Each foreign article has a specified resolving capability of 3.5 angstroms. The most closely comparable domestic instrument is the Model EMU-4C electron microscope which is manufactured by the Forgflo Corp. (Forgflo). The Model EMU-4C has a specified resolving capability of five angstroms. (Resolving capability bears an inverse relationship to its numerical rating in angstrom units, i.e., the lower the rating, the better the resolving capability.) We are advised by the Department of Health, Education, and Welfare in the respectively cited memoranda, that the additional resolving capability of the foreign articles is pertinent to the purposes for which each of the foreign articles to which the foregoing applications relate is intended to be used. We, therefore, find that the Forgflo Model EMU-4C is not of equivalent scientific value to any of the articles to which the foregoing applications relate, for such purposes as these articles are intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to any of the foreign articles to which the foregoing applications relate, for such purposes as these articles are intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16097 Filed 9-20-72;8:49 am]

UNIVERSITY OF MICHIGAN AND PENNSYLVANIA STATE UNIVERSITY

Notice of Consolidated Decision on Applications for Duty-Free Entry of Accessories for Foreign Instruments

The following is a consolidated decision on applications for duty-free entry of accessories for foreign instruments pursuant to section 6(c) of the Educational Scientific and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.11(e).)

A copy of the record pertaining to each of the decisions is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00368-00-46040. Applicant: University of Michigan, Mental Health Research Institute, 205 North Washtenaw, Ann Arbor, MI 48104. Article: Spare parts for Elmiskop I electron microscope. Manufacturer: Siemens AG, West Germany. Intended use of article: The articles are spare parts for an existing electron microscope. Application received by Commissioner of Customs: February 4, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Docket No. 72-00530-00-11000. Applicant: The Pennsylvania State University, Biochemistry Department, 109 Frear Laboratory, University Park, Pa. 16802. Article: Mass Market and scan magnet. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The articles are accessories to a gass chromatograph-mass spectrometer to be used by several departments including Biochemistry, Food Science, Chemistry, and Pesticides, in the identification of natural products, complex carbohydrates, polypeptides, lipids, insects pheromones, pesticides, etc. Graduate and undergraduate students will use the article in their research work in such courses as Biochemistry 439, Biochemistry 503, Biochemistry 660, Food Science 600, etc. Application received by Commissioner of Customs, May 4, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Comments: No comments have been received with respect to any of the foregoing applications. Decision: Applications approved. No instrument or apparatus of equivalent scientific value to the foreign articles, for the purposes for which the articles are intended to be used, is being manufactured in the United States. Reasons: The applications relate to compatible accessories for instruments that have been previously imported for the use of the applicant institutions. The articles are being manufactured by the manufacturers which produced the instruments with which they are intended to be used. We are advised by the Department of Health, Education, and Welfare in the respectively cited memoranda that the accessories are pertinent to the applicants' intended uses and that it knows of no comparable domestic articles.

The Department of Commerce knows of no similar accessories manufactured in the United States which are interchangeable with or can be readily adapted to the instruments with which the foreign articles are intended to be used.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16099 Filed 9-20-72;8:49 am]

UNIVERSITY OF MINNESOTA

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant ta section 6(c) of the Educational, Scientific, and Cultural

Materials Importation Act of 1966 (Public Law 89–651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72–00361–33–46040. Applicant: University of Minnesota, Minneapolis, Minn. 55455. Article: Electron microscope, Model EM 300. Manufacturer: Philips Electronic Instruments, NVD, The Netherlands. Intended use of article: The article will be used in experiments designed to study the ultrastructure of the cell membrane before and after various enzyme and extraction procedures designed to remove specific proteins and nucleoproteins.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The foreign article has a specified resolving capability of 3.5 angstroms. The most closely comparable domestic instrument is the Model EMU–4C electron microscope manufactured by the Forgflo Corp. The Model EMU–4C has a specified resolving capability of 5 angstroms. (The lower the numerical rating in terms of Angstrom units, the better the resolving capability.) We are advised by the Department of Health, Education, and Welfare in its memorandum dated August 25, 1972, that the additional resolving capability of the foreign article is pertinent to the purposes for which the foreign article is intended to be used. We, therefore, find that the Model EMU–4C is not of equivalent scientific value to the foreign article for such purposes as the article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72–16100 Filed 9–20–72;8:49 am]

UNIVERSITY OF PENNSYLVANIA

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72–00544–33–90000. Applicant: University of Pennsylvania, Johnson Research Foundation, A. N. Richards Building, 37th and Hamilton Walk, Philadelphia, Pa. 19104. Article: Rotating anode X-ray generator, Model GX–6. Manufacturer: Elliott Automation Radar Systems, Ltd., United Kingdom. Intended use of article: The article is intended to be used for X-ray diffraction studies centered upon a determination of the molecular structure of the photopigment-containing retinal receptor disk membrane, the nerve axonal membrane and the chromatophore membrane. Changes in these structures which accompany certain functional processes of these membranes will be investigated.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The foreign article provides a focused spot of minimal size and a rotating target for maximum X-ray power. We are advised by the Department of Health, Education, and Welfare (HEW) in its memorandum dated September 1, 1972, that both of the characteristics described above are pertinent to the applicant's research studies. HEW further advises that it knows of no comparable domestic instrument that provides both of the pertinent characteristics of the article.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72–16101 Filed 9–20–72;8:49 am]

UNIVERSITY OF TENNESSEE

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72–00432–75–40600. Applicant: The University of Tennessee, Knoxville, Tenn. 37916. Article: Isotope separator. Manufacturer: Danfysik, Denmark. Intended use of article: The article is intended to be used to separate radioactive nuclei according to mass and the radiations (Beta-particles, alpha particles, delayed protons, X-rays, and gamma-rays) emitted from these radionuclides will be studied with solid-state detectors. The article will also be used in atomic collision experiments and ion-implantation experiments which require well focused singly ionized beams at energies up to 100 kv. In addition, the article will be used in the education of graduate students in nuclear chemistry and nuclear physics as a tool in their thesis research.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States. Reasons: The foreign article provides the capability of uniform transmission for adjacent mass numbered isotopes. We are advised by the National Bureau of Standards (NBS) in its memorandum dated August 29, 1972, that the capability described above is pertinent to the purposes for which the article is intended to be used. NBS also advises that it knows of no domestically manufactured instrument scientifically equivalent to the foreign article for the applicant's intended use.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72–16102 Filed 9–20–72;8:49 am]

UNIVERSITY OF TEXAS MEDICAL SCHOOL

Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes

The following is a consolidated decision on applications for duty-free entry of electron microscopes pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.111(e).)

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72–00370–33–46040. Applicant: The University of Texas Medical School at Houston, 102 Jesse Jones Library Building, Texas Medical Center, Houston, Tex. 77025. Article: Electron microscope, Model JEM 100B. Manufacturer: JEOL, Ltd. Japan. Intended

use of article: The article is intended to be used in studies of biological materials in the following investigations;

1. Normal physiological behavior of cells and tissues;

2. Comparative ultrastructure and physiology of receptors in marine and fresh water fish in an attempt to uncover the mechanisms of reception transduction and transmission of stimuli from the environment; and

3. Normal and pathologic myelinated nerve involving the use of various methods of embedding and sectioning the specimen to better understand the fine structure and molecular arrangement.

The article is also intended to be used for instruction to the medical students in methodology as related to neurohormone function of the nerve system. Application received by Commissioner of Customs: February 4, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Docket No. 72-00401-33-46040. Applicant: University of Texas Southwestern Medical School at Dallas, 5323 Harry Hines Boulevard, Dallas, TX 75235. Article: Electron microscope, JEOL, Ltd., Japan. Intended use of article: The article is intended to be used in high resolution studies of conformational and redistributional changes of proteins on or within organelle and cell membranes which occur during change in the state of organelle and cell function. The identification of specific proteins on or in cellular membranes will be investigated using antibody and other protein tagging techniques in a research program devoted to studies in the molecular anatomy of membranes. Protein identification and orientation in biomembranes as well as conformation of solubilized proteins, will be studied by high-resolution freeze-cleaving electron microscopy, dark field electron microscopy, and negative staining, supported by employing goinometer tilt and rotation. Application received by Commissioner of Customs: February 22, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Comments: No comments have been received in regard to any of the foregoing applications. Decision: Applications approved. No instrument or apparatus of equivalent scientific value to the foreign articles, for the purposes for which the articles are intended to be used, is being manufactured in the United States. Reasons: Each foreign article has a specified resolving capability of 3 angstroms. The most closely comparable domestic instrument is the Model EMU-4C electron microscope which is manufactured by the Forgflo Corp. (Forgflo). The Model EMU-4C has a specified resolving capability of 5 angstroms. (Resolving capability bears an inverse relationship to its numerical rating in angstrom units, i.e., the lower the rating, the better the resolving capability.) We are advised by the Department of Health, Education, and Welfare in the respectively cited memoranda, that the additional resolving capability of the foreign articles is pertinent to the purposes for which each of the foreign articles to which the foregoing applications relate is intended to be used. We, therefore, find that the Forgflo Model EMU-4C is not of equivalent scientific value to any of the articles to which the foregoing applications relate, for such purposes as these articles are intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to any of the foreign articles to which the foregoing applications relate, for such purposes as these articles are intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-16103 Filed 9-20-72;8:49 am]

VETERANS ADMINISTRATION HOSPITAL AND CLEMSON UNIVERSITY OF AGRICULTURE SCIENCE

Notice of Consolidated Decision on Applications for Duty-Free Entry of Ultramicrotomes

The following is a consolidated decision on applications for duty-free entry of ultramicrotomes pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897), and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.11(e).)

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00532-33-46500. Applicant: Veterans Administration Hospital, 2500 Overlook Terrace, Madison, WI 53705. Article: Ultramicrotome, Model LKB 8800A. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article is intended to be used in studies of human biopsies of the gastrointestinal tract, rat tissues of the gastrointestinal tract, and fractions of these tissues embedded for morphological correlation to biochemistry. The objectives to be pursued in the course of the investigation are to reveal at the ultrastructural level the structural bases of transport of macromolecules into and across cells under physiological and pathologic conditions, and the response of the cells to these molecules. The article will also be used in training residents in gastroenterology. Application received by Commissioner of Customs: May 4, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Docket No. 72-00533-33-46500. Applicant: Clemson University College of Agricultural Science, Department of Dairy Science, Clemson, S.C. 29631. Article: Ultramicrotome, Model LKB 8800A. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article is intended to be used in investigations to establish the ultrastructural morphology and cytochemistry of cells of the reproductive tissues under varying physiological and hormonal states, and to relate these parameter and variation in them to reproductive performance and to hormone levels. The article will also be used to provide training for graduate students in the biological sciences in the various techniques utilized in electron microscopy and to provide the student with the opportunity to develop proficiency in the whole technique of electron microscopy of material of special interest to him. Application received by Commissioner of Customs: May 4, 1972. Advice submitted by Department of Health, Education, and Welfare on: August 25, 1972.

Comments: No comments have been received with respect to any of the foregoing applications. Decision: Applications approved. No instrument or apparatus of equivalent scientific value to the foreign articles for such purposes as these articles are intended to be used, is being manufactured in the United States. Reasons: Each of the foreign articles provides a range of cutting speeds from 0.1 to 20 millimeters per second. The most closely comparable domestic instrument is the Model MT-2B ultramicrotome which is manufactured by Ivan Sorvall, Inc. (Sorvall). The Model MT-2B has a range of cutting speeds from 0.09 to 3.2 millimeters per second. The conditions for obtaining high-quality sections that are uniform in thickness, depend to a large extent on the hardness, consistency, toughness and other properties of the specimen materials, the properties of the embedding materials, and geometry of the block. In connection with a prior application (Docket No. 69-00665-33-46500), which relates to the duty-free entry of an article that is identical to those to which the foregoing applications relate, the Department of Health, Education, and Welfare (HEW) advised that smooth cuts are obtained when the speed of cutting, (among such (other) factors as knife edge condition and angle), is adjusted to the characteristics of the material being sectioned.

The range of cutting speeds and a capability for the higher cutting speeds is, therefore, a pertinent characteristic of the ultramicrotome to be used for sectioning materials that experience has shown difficult to section. In connection with another prior application (Docket No. 70-00077-33-46500) which also relates to an article that is identical to those described above, HEW advised that "ultrathin sectioning of a variety of tissues having a wide range in density, hardness etc." requires a maximum range in cutting speed and, further, that the "production of ultrathin serial sections of specimens that have a great variation in physical properties is very difficult." Accordingly, HEW advises in its respectively cited memoranda, that cutting speeds in excess of 4 millimeters

per second are pertinent to the satisfactory sectioning of the specimen materials and the relevant embedding materials that will be used by the applicants in their respective experiments. For these reasons, we find that the Sorvall Model MT–2B ultramicrotome is not of equivalent scientific value to the foreign articles to which the foregoing applications relate, for such purposes as these articles are intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to any of the foreign articles to which the foregoing applications relate, for such purposes as these articles are intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72–16104 Filed 9–20–72;8:49 am]

WASHINGTON UNIVERSITY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72–00542–00–46040. Applicant: Washington University, 660 South Euclid, St. Louis, MO 63110. Article: Siemens/Steinheil camera type M2. Manufacturer: Siemens AG, West Germany. Intended use of article: The article is intended to be used in conjunction with an existing electron microscope in studies of the structure of biological macromolecules and macromolecular complexes such as transfer RNA, ribosomes, chromosomes, and enzymes. The article will also be used in the course Biochemistry 515 to train graduate and medical students in the conduct of biochemical research.

Comments: No comments have been received with respect to this application.

Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, is being manufactured in the United States.

Reasons: The application relates to a compatible accessory for an instrument that had been previously imported for the use of the applicant institution. The article is being furnished by the manufacturer which produced the instrument with which the article is intended to be used and is pertinent to the applicant's purposes.

The Department of Commerce knows of no similar accessory being manufactured in the United States, which is interchangeable with or can be readily adapted to the instrument with which the foreign article is intended to be used.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72–16098 Filed 9–20–72;8:49 am]

Office of the Secretary

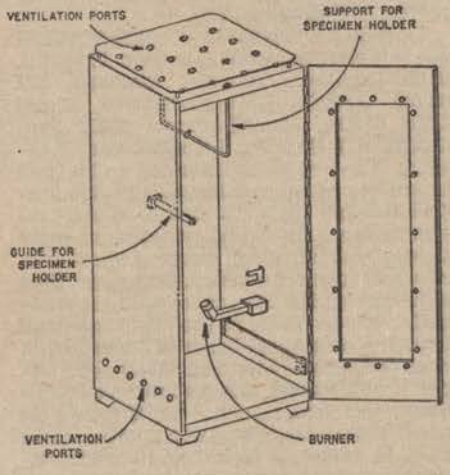
CHILDREN'S SLEEPWEAR

Notice of Amendment to Flammability Standard To Provide for Sampling Plan; Correction

In F.R. Doc. 72–11252 appearing at pages 14624–14632 in the issue for Friday, July 21, 1972, in the notice of amendment to flammability standard to provide for sampling plan, on page 14624, paragraph (c), line 2, change the word "of" to read "or". In the standard for the flammability of children's sleepwear (DOC FF 3–71; as amended), on page 14625, in section .1(a), first sentence, delete the article "a" between the words "for" and "sleeping." At the end of the textual material of the same Standard at page 14629, but before Engineering Drawing No. 1, insert the following Figures 1 and 2.

Issued: September 14, 1972.

PETER G. PETERSON,
Secretary of Commerce.



VERTICAL TEST CABINET
FIGURE 1

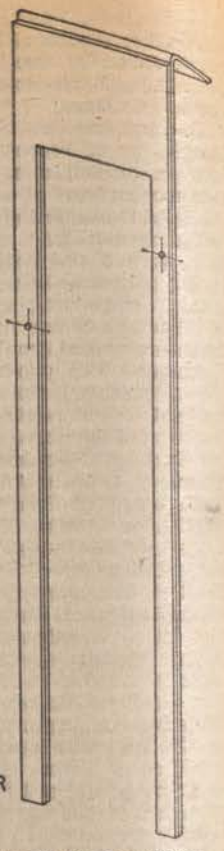


FIGURE 2

[FR Doc.72–15953 Filed 9–20–72;8:45 am]

Social and Economic Statistics Administration

CENSUS ADVISORY COMMITTEE OF THE AMERICAN ECONOMIC ASSOCIATION

Notice of Public Meeting

The Census Advisory Committee of the American Economic Association will convene on October 2, 1972, at 9:30 a.m. in Room 2113, Federal Building 3, at the Bureau of the Census in Suitland, Md.

The Census Advisory Committee of the American Economic Association was established in 1960 to advise the Director, Bureau of the Census, on technical matters, level of accuracy, and conceptual problems.

The Committe is composed of 15 members appointed by the President of the American Economic Association.

The agenda for the meeting is: (1) A general review of topics of current interest including staff changes, reorganization of statistical activities in the Department of Commerce, and Census programs with emphasis on the FY 73 budget, (2) Status of American Economic

Association Advisory Committee recommendations, (3) Recommendations of President's Commission on Federal Statistics, (4) Report on 1970 Population Census and the Consumer Expenditures Survey, (5) A report on the economic censuses and current programs, and (6) Data for revenue sharing.

A limited number of seats—approximately 15—will be available to the public. A brief period will be set aside for public comment.

Extensive questions or statements must be submitted in writing to the Committee Guidance and Control Officer at least 3 days prior to the meeting.

Persons planning to attend and wishing additional information concerning this meeting should contact the Committee Guidance and Control Officer, Dr. Walter F. Ryan, Associate Director for Economic Fields, Bureau of the Census, Room 2061, Federal Building 3, Suitland, Md. (Mail address: Washington, D.C. 20233). Telephone 301—763–5175.

HAROLD C. PASSER,
Administrator, Social and Economic Statistics Administration.

[FR Doc.72–16088 Filed 9–20–72;8:48 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[FAP 3B2827]

AQUANESS CHEMICAL 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 3B2827) has been filed by Aquaness Chemical Co., Division of Magna Corp., Post Office Box 33387, Houston, TX 77033, proposing that § 121.2526 *Components of paper and paperboard in contact with aqueous and fatty foods* (21 CFR 121.2526) be amended to increase the use level of sodium polyacrylate from 0.125 percent by weight of pigment presently permitted to 0.25 percent by weight of pigment for use as a pigment dispersant in the manufacture of paper and paperboard intended to contact food.

Dated: September 14, 1972.

VIRGIL O. WODICKA,
Director, Bureau of Foods.

[FR Doc.72–16044 Filed 9–20–72;8:45 am]

National Institutes of Health

NATIONAL CANCER INSTITUTE

Establishment of a Program for the Control of Cancer

The National Cancer Institute announces the establishment of a Cancer Control Program as authorized by the National Cancer Act of 1971 (Sec. 3, Public Law 92–218, 85 Stat. 781 (42 U.S.C. 286c)).

This program is intended to translate the output of the cancer research and development process into knowledge, material and techniques which can be effectively employed in the general practice of medicine and public health. The Cancer Control Program will involve taking findings which have been proven effective in a research setting and demonstrating their effectiveness in specific community groups. Findings which are demonstrated to be effective in community settings will be rapidly communicated to physicians and the public.

The objectives of the program are: a) To develop, demonstrate and evaluate means for cancer control in selected groups of cancer patients and/or selected population groups; b) to insure and monitor widespread application of new information and techniques to other individuals and population groups by expert personnel throughout the country; c) to insure that physicians and related personnel receive the education and training necessary to permit understanding and ready use of new methods of early diagnosis, treatment and rehabilitation of cancer patients and to insure that they are familiar with institutions to which patients can be referred to obtain optimum care; d) to insure that the public receives the educational guidance necessary for a clear understanding of the availability of diagnostic, therapeutic and preventive techniques and of the institutions providing appropriate patient care services; and e) to develop a network of population-based reporting systems for monitoring the impact of cancer control programs.

Demonstration projects will be supported through contract awards made on a competitive basis to institutions, agencies or centers capable of conducting studies designed to demonstrate the effectiveness of specified research findings. These awards will be made in three project areas:

1. Cancer Treatment.
2. Cancer Diagnosis.
3. Cancer Cause and Prevention.

Such projects may include (a) training of professional and technical manpower; (b) relevant center support including basic support to qualified institutions and organizations to plan and develop appropriate activities which will lead to earlier detection and diagnosis and more successful management of the common forms of cancer; and (c) education, for example, informing both the medical profession and the general public of the availability of newly proven techniques, materials and methodologies.

Since these Cancer Control demonstration projects will be supported through contracts they will be subject to Federal contract procedures including advertising in the "Commerce Business Daily" as appropriate.

Interested parties who desire further information on the total program should contact the Associate Director for Cancer Control, National Cancer Institute, 9000 Rockville Pike, Bethesda, MD 20014.

Dated: September 13, 1972.

ROBERT Q. MARSTON, M.D.
Director, National Institutes of Health.

[FR Doc.72–16048 Filed 9–20–72;8:46 am]

NATIONAL HEART AND LUNG INSTITUTE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the meeting of the Sickle Cell Disease Advisory Committee, at the Health Services and Mental Health Administration, Parklawn Building, 5600 Fishers Lane, Rockville, MD, Conference Room H (3d floor). This meeting will be open to the public from 9 a.m. to 5 p.m., September 18 and 19, 1972.

Name of the person from whom rosters of committee members and/or summary of the meeting may be obtained: Dr. Rudolph E. Jackson.

Dated: September 12, 1972.

JOHN F. SHERMAN,
Deputy Director, National Institute of Health.

[FR Doc.72–16045 Filed 9–20–72;8:45 am]

NATIONAL INSTITUTE OF DENTAL RESEARCH

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the following committee meeting and the executive secretary from whom a summary of the meeting may be obtained.

Committee, date, time, and location

Dental Training Committee; September 26–27, 1972; 9:30 a.m.; National Institutes of Health, Building 31–C, Conference Room 7. Dr. K. Kenneth Hisaoka, Deputy Associate Director for Extramural Programs, National Institute of Dental Research, 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.

Dated: September 12, 1972.

JOHN F. SHERMAN,
Deputy Director, National Institutes of Health.

[FR Doc.72–16046 Filed 9–20–72;8:45 am]

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

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, and location of committee
Pathology Training Committee, Dr. Edward Hampp; September 22, 1972; 9; Linden Room, Linden Hill Hotel.
Genetics Training Committee, Dr. Dorothea Miller; September 22–23, 1972; 9; Holiday Inn, Chevy Chase, Md.
Microbiology Training Committee, Dr. Elizabeth O'Hern; September 25–26, 1972; 9; Building 31A, Room 2.
Epidemiology and Biometry, Training Committee, Dr. Margaret Carlson; September 29, 1972; 9; Building 31C, Room 10.
Anatomical Sciences Training Committee, Dr. Dorothea Miller; September 29, 1972; 9; Building 31C, Room 6.
Behavioral Sciences Training Committee, Dr. William Taylor; October 2, 1972; 9; Building 31C, Room 8.
Physiology Training Committee, Dr. R. Burns Ross; October 6, 1972; 9; Building 31A, Room 2.
Medical Scientist Training Committee, Dr. Leo von Euler; October 7, 1972; 9; Building 31C, Room 9.
Biophysical Sciences Training Committee, Dr. George Hayden; October 12–13, 1972; 8:30; Building 31A, Room 2.

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 12, 1972.

JOHN F. SHERMAN,
Deputy Director,
National Institutes of Health.

[FR Doc.72–16047 Filed 9–20–72;8:45 am]

Office of Education

NATIONAL ADVISORY COUNCIL ON VOCATIONAL EDUCATION

Notice of Public Meeting; Agenda

Notice is hereby given, pursuant to Executive Order 11671, that the next meeting of the National Advisory Council on Vocational Education will be held on September 29, 1972, from 9 a.m. to 5 p.m., local time, and on September 30, 1972, from 9 a.m. to 12 noon, local time, in room Envoy B, The Embassy Row Hotel, 2015 Massachusetts Avenue NW., Washington, D.C. 20036.

The National Advisory Council on Vocational Education is established under section 104 of the Vocational Education Amendments of 1968 (20 U.S.C. 1244). The Council is directed to advise the Commissioner of Education concerning the administration of, preparation of general regulations for, and operation of, vocational education programs supported with assistance under the act; review the administration and operation of vocational education programs under the act, including the effectiveness of such programs in meeting the purposes for which they are established and operated, make recommendations with respect thereto, and make annual reports of its findings and recommendations to the Secretary of HEW for transmittal to the Congress; and conduct independent evaluations of programs carried out under the act and publish and distribute the results thereof.

The meetings of the Council shall be open to the public. The proposed agenda includes:

(a) Committee reports;

(b) Report from the Bureau of Adult, Vocational and Technical Education, U.S. Office of Education;

(c) Report on National Planning Association study on duplication;

(d) Report of the Executive Director;

(e) Report on the use of modern technology in vocational education; and

(f) Career guidance film presentation.

Records shall be kept of all Council proceedings and shall be available for public inspection at the Office of the Council's Executive Director, located in Suite 852, 425 13th Street NW., Washington, DC 20004.

Signed at Washington, D.C., on September 18, 1972.

CALVIN DELLEFIELD,
Executive Director.

[FR Doc.72–16122 Filed 9–20–72;8:50 am]

Office of the Secretary

DEPUTY ASSISTANT SECRETARY FOR MANAGEMENT

Statement of Organization, Functions, and Delegations of Authority

Part 1 of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health, Education, and Welfare, Office of the Secretary, is amended to delete Chapter 1U11, Office of Management, and add new Chapter 1T05, Deputy Assistant Secretary for Management. The new chapter reads as follows:

SECTION 1T05.00 *Mission.* A. The Deputy Assistant Secretary for Management reports directly to the Assistant Secretary for Administration and Management and is Director of the Office of Management. The Deputy Assistant Secretary serves as principal advisor and provides staff support to the Assistant Secretary for Administration and Management on all Departmental management matters; he is the Assistant Secretary's principal assistant for support to the Secretary in managing the Department.

B. The Deputy Assistant Secretary for Management accomplishes his mission by means of organizational review, analysis, and studies for management improvements; management analysis of systems and procedures and the formulation of Departmentwide policy; fostering maximum efficiency in the utilization of Departmental manpower through the establishment of effective manpower utilization programs; and by providing technical assistance as necessary to ensure that the Department is optimally organized to accomplish the initiatives of the Secretary and the Congress.

C. The Deputy Assistant Secretary for Management serves as a key liaison point for the Department on matters related to administrative management with the Office of Management and Budget, with other Federal agencies, and with top management officials throughout the Department.

SEC. 1T05.10 *Organization.* The Office of the Deputy Assistant Secretary for Management (Office of Management) consists of the following components which report directly to the Deputy Assistant Secretary:

Division of Management and Program Analysis
Division of Management Policy
Division of Manpower Utilization
Division of Federal Assistance Review

SEC. 1T05.20 *Functions*—A. *Division of Management and Program Analysis.* The Division of Management and Program Analysis serves as the Department's principal resource for providing management and program analysis for high priority projects, and for making studies and recommendations, as appropriate, for new policies or programs or significant performance problems with existing operations. The functions of the Division are as follows:

1. Conducts management studies and program operation reviews to improve organizational structures and strategies in meeting their mission and objectives and to improve the effectiveness of program administration.

2. Provides technical assistance for management analysis as requested by operating agencies and components of the Office of the Secretary.

3. Provides advice to management and program administrators on appropriate coordination mechanisms to assure organizational unity of interrelated programs.

4. Provides management analysis and recommendations on major policy or legislative changes to ensure that initiatives involving Administration or Secretarial priority are effectively implemented.

5. Identifies management problems affecting Departmental relations with other organizations, and recommends solutions.

B. *Division of Management Policy.* The Division of Management Policy serves as the Department's primary resource for development of effective management controls and administrative systems and assurance of coordinated management improvement activities. The functions of the Division are as follows:

1. *Management Policy.* Organization, Functions, and Delegations of Authority: Provides leadership and guidance in the planning, development, and implementation of policies and practices for improving the Department's organization, the distribution and performance of its functions, and the delegation of authority to appropriate officials; reviews, evaluates, and recommends appropriate action to the Secretary on proposals for change in organization structure, delegations of authority, and related management and administrative practices or policies proposed by the Office of the Secretary and the operating agencies.

2. *Management Improvement.* Establishes a Departmentwide coordinated management improvement program with participation by key officials of the Office of the Secretary and the operating agencies; assures that Department operations are systematically reviewed through formal studies and review projects and that all significant changes and improvements are reported to the Office of Management and Budget, in accordance with provisions of OMB Circular A–44. Conducts operational reviews of selected areas involving both headquarters and field elements.

3. *Reports Management.* Provides leadership and guidance in the conduct of a Departmentwide program designed to maximize benefits from the use of both intra- and interagency reports.

4. *Management Consulting Contracts.* Assures that contractual arrangements for non-Federal management consulting services are utilized only when Federal services are not obtainable, and when such contracts are clearly necessary and to the advantage of the Government; recommends alternative methods when appropriate.

5. *Paperwork Management.* Develops policies, standards, and practices for the Department's records management program, and issuance management system; serves as principal liaison with the National Archives and Records Service, General Services Administration, on matters associated with these functions.

6. *Management Studies and Surveys.* Initiates and conducts management studies and surveys designed to improve effectiveness of the Department's organizational structure, assignment of functions, delegations of authority, manpower distribution, use of methods and equipment, and other associated management and operational practices; applies a wide variety of management analysis techniques to specialized problem areas.

C. *Division of Manpower Utilization.* The Division of Manpower Utilization has primary responsibility for the development and direction of a continuing manpower management program designed to ensure effective utilization of Department-wide manpower resources. The Division provides leadership and technical assistance to counterpart activities at the Agency and field levels on implementation and operation of the Manpower Utilization Program. The Program includes:

1. *Manpower Planning, Budgeting and Forecasting.* Consistent with guidelines and concepts derived from the Secretary's priorities the Division provides guidance of the Office of the Secretary to operating agencies to enable their development of the following: (a) Annual Manpower Utilization Program Plans, (b) Agency participation in the manpower aspects of legislative planning; and (c) Agency long-range planning and budget-manpower projection.

2. *Manpower Utilization Measurement and Projection Systems.* Develops policies, standards, and guidelines for use in measuring human input and forecasting manpower needs.

3. *Manpower Surveys.* Provides guidance and participates in systematic manpower reviews throughout the Department to identify manpower resource availability for reallocation to higher priority needs.

4. *Manpower Reallocation Accounting and Control.* Participates in the establishment of appropriate accounting and audit controls to ensure effective distribution of manpower resources in support of priority objectives.

5. *Productivity Measurement Programs.* Serves as the primary Departmental interface with CSC, GAO and on Federal productivity measurement programs, manpower utilization survey projects, and work force estimating studies, as well as other interagency activities of a similar nature.

6. *Manpower Studies.* Fosters or conducts research and evaluation studies of organizational elements, functional systems, and occupational groups to determine and recommend new and improved manpower methods and practices.

D. *The Division of Federal Assistance Review.* The Division of Federal Assistance Review serves as the Department's principal resource for fostering and coordinating improvements in the delivery of agency assistance and services to their grantees, beneficiaries and for strengthening the capabilities of State and local governmental units and other public agencies providing services. The functions of the Division are as follows:

1. Studies and analyzes agency programs, policies, procedures, organizational structure, and management methods, and recommends changes needed to effectively and efficiently improve the delivery of Federal assistance.

2. Provides guidance to agencies and offices of HEW for the development and execution of Federal assistance improvement plans, especially plans for the utilization of State and local governments in administering grant programs.

3. Plans, directs, conducts, and coordinates studies to determine effectiveness of meeting recipient needs with respect to the delivery of assistance and services.

4. Coordinates intradepartmental activities and programs directed primarily toward improving the delivery of Federal assistance.

5. Identifies, analyzes, and recommends improvements in internal administrative processes interfacing with the expeditious delivery of Federal assistance.

6. Reviews agency FAR plans; monitors and validates progress; and evaluates results.

7. Prepares reports to departmental officials for transmission to the Office of Management and Budget identifying progress and accomplishments and issues requiring their attention.

Dated: September 13, 1972.

R. H. BRADY,
Assistant Secretary for Administration and Management.

[FR Doc.72–16087 Filed 9–20–72;8:48 am]

OFFICE OF THE DEPARTMENT FEDERAL WOMEN'S PROGRAM

Statement of Organization, Functions, and Delegations of Authority

Part 1 of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health, Education, and Welfare is amended to add a new section 1T01004 Office of the Department Federal Women's Program. The new section reads as follows:

SECTION 1T01004.00 *Mission.* The Office of the Department Federal Women's Program plans, coordinates, and provides leadership to programs and activities related to the status of women in the Department.

SEC. 1T01004.10 *Functions.* The Office of the Department Federal Women's Program:

1. Reviews and analyzes studies, reports, and other sources of broad program implications and policy guidance and develops recommendations of policies, programs, and activities related to the status of women employed by the Department.

2. Provides technical advice and guidance to the operating agencies and regional offices in developing their plans and programs for the Federal Women's Program.

3. Maintains liaison with Agency management officials and Agency and Regional Federal Women's Program coordinators and coordinates Office of the Secretary and agency plans of action to assure consistency of operations within the provisions of the Department program.

4. Makes continuing reviews, analyses, and evaluations of Department programs and plans, and identifies problem areas needing resolution to assure that the program at all times recognizes and responds through shifting emphases to the changing of women in the work force.

5. Maintains liaison with the Women's Action Program and participates in the work of the Secretary's Advisory Committee on Women's Rights.

Dated: September 15, 1972.

LEO J. HOLLAND, Jr.,
Acting Deputy Assistant Secretary for Management.

[FR Doc.72–16086 Filed 9–20–72;8:47 am]

CIVIL AERONAUTICS BOARD

[Docket No. 23333; Order 72–9–50]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Cargo Matters

Issued under delegated authority September 14, 1972.

By Order 72–6–137 dated June 29, 1972, the Board limited through September 30, 1972, its approval of an agreement of the International Air Transport

Association (IATA) revalidating and amending an existing IATA resolution governing excess valuation charges on North Atlantic cargo shipments. This condition was predicated upon the failure of the carriers to submit justification for a new charge of 50 cents per $100 for valuation declarations in excess of the basic liability allowance.

A more recent IATA agreement filed with the Board extended the resolution to worldwide application, and increased a 50-cent minimum charge per consignment to 57 cents. Our approval of the agreement[1] inadvertently omitted our previous condition.

Therefore the Board will herein limit its approval of the subject agreement through September 30, 1972. An extension of approval beyond that time is contingent upon the receipt of appropriate date and justification from the U.S. carriers and a finding that the new level of valuation charges is consistent with corresponding expense.

Accordingly, it is ordered, That:

The Board's previous approval of Agreement CAB 23233, R–1, shall be limited through September 30, 1972.

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. 72–16110 Filed 9–20–72;8:53 am]

COUNCIL ON ENVIRONMENTAL QUALITY

ENVIRONMENTAL IMPACT STATEMENTS

Notice of Public Availability

Environmental impact statement received by the Council on Environmental Quality, September 4–September 8, 1972.

NOTE: At the head of the listing of statements received from each agency is the name of an individual who can answer questions regarding those statements.

DEPARTMENT OF AGRICULTURE

Contact: Dr. T. C. Byerly, Office of the Secretary, Washington, D.C. 20250, 202—388–7803.

[1] Order 72–8–81, dated August 17, 1972.

FOREST SERVICE

Final, September 1

Santa Fe National Forest, N. Mex. Counties: Sandoval and Santa Fe. The statement refers to a proposed transfer of 13,440 acres of forest lands to the Cochiti Pueblo. The land would be utilized for the grazing of animals and would serve as a buffer between the forest and Indian developments at Cochiti Lake. (76 pages). Comments made by: COE, EPA, DOI, and DOT (ELR Order No. 05204) (NTIS Order No. EIS 72 5204F)

Mount Ashland Chairlift No. 2, Oregon.

Final, September 8

The statement refers to the proposed construction of an additional chairlift at the Mount Ashland winter sports facility, in order to provide intermediate skiing. The action will increase the chance of polluting the Ashland Municipal Watershed. (60 pages). Comments made by: USDA, COE, EPA, HUD, and DOI (ELR Order No. 05232) (NTIS Order No. EIS 72 5232F)

RURAL ELECTRIFICATION SERVICE

Arizona. Counties: Cochise and Pima. The statement refers to a proposed change of purpose for $5,409,028 of a prior REA loan, in order to construct 73 miles of 230 kv transmission line and 16 miles of 115 kv line. The lines will be intrusions upon the landscape. (124 pages) Comments made by: USDA, EPA, DOI, and DOT (ELR Order No. 05230) (NTIS Order No. EIS 72 5230F)

Alma and Cassville Stations, Wis. Counties: Several. The statement refers to a proposed loan of $11,320,000 to the Dairyland Power Cooperative in order to finance air pollution-reducing plant modifications. The installation would minimize fly ash emissions. (260 pages) Comments made by: USDA, EPA, DOI, and DOT (ELR Order No. 05229) (NTIS Order No. EIS 72 5229F)

SOIL CONSERVATION SERVICE

Draft, September 1

Stevens-Rugg Watershed, Vt. County: Franklin. The statement considers the implementation of land treatment measures on 10,175 acres and the construction of a collection basin and channel works, for the purpose of flood protection. Ten acres will be committed to the project; construction activity will disturb wildlife habitat. (17 pages) (ELR Order No. 05207) (NTIS Order No. EIS 72 5207D)

Draft, September 7

Pocatalico River Basin, W. Va. Counties: Several. The statement refers to a project which would involve the use of land treatment measures on 2,400 acres and the construction of 2 multipurpose dams (for water supply, flood control, sediment prevention and low-flow augmentation). Approximately 11.5 miles of stream and 440 acres of land will be inundated; 40 residences would be displaced. (32 pages) (ELR Order No. 05225) (NTIS Order No. EIS 72 5225D)

Final, September 6

Cow Creek Watershed, Okla. Counties: Stephens and Jefferson. The statement refers to a flood protection and erosion reduction project which would involve 124,000 acres. Physical features of the project would be land treatment measures, 46 floodwater retarding structures, one multipurpose structure (with recreation development), and 2.5 miles of stream channel clearing. Approximately 968 acres will be inundated and an additional 368 acres will be used for recreational facilities, with adverse effects upon local wildlife populations. (47 pages) (ELR Order No. 05222) (NTIS Order No. EIS 72 5222F)

ATOMIC ENERGY COMMISSION

Contact: For Nonregulatory Matters: Mr. Robert J. Catlin, Director, Division of Environmental Affairs, Washington, D.C. 20545, 202—973–5391.

For Regulatory Matters: Mr. A. Giambusso, Deputy Director for Reactor Projects, Directorate of Licensing, 202—973–7373, Washington, D.C. 20545.

Final, September 1

Fort Calhoun Station, Unit 1, Nebraska. County: Washington. The Statement refers to the proposed continuation of the construction permit and the issuance of an operating permit to the Omaha Public Power District for the startup and operation of Unit 1. The unit will employ a pressurized water reactor to produce up to 1,420 MWe and a steam-turbine generator to provide 457 MWe. A "stretch" power level of 1,500 MWt and 475 MWe is anticipated and considered in the statement. Cooling water will be heated to 18° F. above ambient and discharged at 800 cubic feet/second to a bend of the Missouri River. (293 pages) Comments made by: USDA, DOC, COF, EPA, FPC, HEW, DOI, and DOT (ELR Order No. 05203) (NTIS Order No. EIS 72 5203F)

DEPARTMENT OF DEFENSE

ARMY CORPS

Contact: Mr. Francis X. Kelly, Director, Office of Public Affairs, Attention: DAEN–PAP, Office of the Chief of Engineers, U.S. Army Corps of Engineers, 1000 Independence Avenue SW., Washington, DC 20314, 202—693–7168.

Draft, September 6

Savannah Harbor, Ga. County: Chatham. The statement refers to the proposed granting of a permit to the American Cyanamid Co. for the construction of dock facilities in Savannah Harbor. The facilities would be utilized in the barging to sea of the applicant's acidic iron waste byproducts which result from the production of titanium dioxide pigment. Plankton and benthic organisms would be lost at the dumping site. (25 pages) (ELR Order No. 05128) (NTIS Order No. EIS 72 5128D)

Draft, September 1

Astoria Unit 6, New York. The statement refers to the proposed issuance of a discharge permit (pursuant to section 13 of the River and Harbor Act of 1899) to the Consolidated Edison Co. of New York, for its No. 6 generating unit. The oil and gas fired steam-electric generating unit will have a capacity of 800 MW. Adverse impacts will be associated with the effects of discharged heated cooling water upon the biological productivity of the East River. (217 pages) (ELR Order No. 05209) (NTIS Order No. EIS 72 5209D)

Verdigris River Dock, Okla. The statement refers to the proposed construction of a barge docking facility on the Verdigris River. An unspecified amount of land will be affected by dredging and dumping operations. (12 pages) (ELR Order No. 05208) (NTIS Order No. EIS 72 5208D)

Gathright Lake, Va. Counties: Bath and Alleghany. The statement refers to the completion of construction of a multipurpose reservoir project on the Jackson River. A cold water trout stream will accompany the project. The reservoir will require the acquisition of 12,360 acres and permanently inundate 2,530 acres; 1,700 acres of the Gathright Wildlife Management Area will be taken from production; the highly scenic Kincaid Gorge will be significantly altered. (98 pages) (ELR Order No. 05205) (NTIS Order No. EIS 72 5205D)

DEPARTMENT OF INTERIOR

Contact: Mr. Bruce Blanchard, Director, Environmental Project Review, Room 7260, Department of the Interior, Washington, D.C. 20240, 202—343–3891.

BUREAU OF RECLAMATION

Draft, September 1

Pond-Poso Improvement District, Calif. County: Kern. The proposed project involves the construction of an irrigation distribution system, which would consist of lined and unlined canals, pipelines, pumping plants, and related works. Approximately 67,000 acre feet of water per year would be drawn from the California aqueduct and used for the irrigation of 22,300 acres. An estimated 220 acres of land would be taken for use as right-of-way. (24 pages). (ELR Order No. 05212) (NTIS Order No. EIS 72 5212D).

Draft, September 8

Prototype Oil Shale Leasing Program. The statement refers to the proposed leasing of six tracts, of not more than 5,120 acres each, for the purpose of oil shale development. Two tracts are located in each of the states of Colorado, Utah, and Wyoming. Impacts of the action will include those on the land itself, on water and air quality, on fish and wildlife habitat, on competing land uses, and on social and economic patterns. The statement assesses the impacts from both prototype development and a mature industry. (3 volumes). (ELR Order No. 05242) (NTIS Order No. EIS 72 5242D).

FEDERAL POWER COMMISSION

Contact: Mr. Frederick H. Warren, Advisor on Environmental Quality, 441 G Street NW., Washington, DC 20426, 202—386–6084.

Draft, September 8

Holyoke Dam, Mass. Counties: Hampshire and Hampden. The statement refers to the proposed construction of modified fish passage facilities at the dam, in order to allow 1 million shad and 40,000 Atlantic salmon to pass annually. The project is intended to restore the species to the river. Adverse effects may occur to resident species. (96 pages). (ELR Order No. 05228) (NTIS Order No. EIS 72 5228D).

DEPARTMENT OF HUD

Contact: Mr. Richard H. Broun, Director, Environmental and Land Use Planning Division, Washington, D.C. 20410, 202—755–6186.

Draft, September 6

River Bend Apartments, Mo. The statement refers to the proposed construction of a 98-unit, eight-story, low- and moderate-income apartment building in the city of St. Louis. The project will increase residential density and demands on urban systems, and cause some social impact. (80 pages) (ELR Order No. 05224) (NTIS Order No. EIS 72 5224D)

DEPARTMENT OF STATE

Contact: Mr. Christian Herter, Jr., Special Assistant to the Secretary for Environmental Affairs, Room 7819, Washington, D.C. 20520, 202—632–7964.

Draft, September 8

International Convention * * * Oil Pollution. The statement refers to the proposed ratification of the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage; and to the proposed enactment of the Act to implement these Conventions. It is the intent of the Act and Conventions to improve the quality of the marine and coastal environments by encouraging more adequate precautions by vessel owners to minimized spills, and more efficient measures to contain and clear up any such oil spills. (93 pages) (ELR Order No. 05231) (NTIS Order No. EIS 72 5231D)

TENNESSEE VALLEY AUTHORITY

Contact: Dr. Francis Gartrell, Director of Environmental Research and Development, 720 Edney Building, Chattanooga, Tenn. 37401, 615—755–2002.

Draft, September 5

Bear Creek Project, Ala. County: Several. The statement refers to the development of a 4-reservoir multipurpose watershed project on the Bear Creek Watershed in northwest Alabama. Also involved is the construction of a 9-mile floodway. Approximately 24,000 acres will be acquired by TVA for the project; 8,300 acres of land and 69 miles of unregulated stream will be inundated. Some archeologic sites will be adversely affected and 68 families will be displaced. (246 pages) (ELR Order No. 05214) (NTIS Order No. EIS 72 5214D)

DEPARTMENT OF TRANSPORTATION

Contact: Mr. Martin Convisser, Director, Office of Environmental Quality, 400 Seventh Street SW., Washington, DC 20590, 202—426–4355.

FEDERAL AVIATION AGENCY

Draft, September 5

Marshall County Airport, W. Va. County: Marshall. The statement refers to the proposed development of a new airport in the town of Moundsville. A paved 3,300′ x 60′ runway would be constructed, along with an apron and a taxiway; medium intensity lighting would be installed. An unspecified amount of land will be constructed; one family may be displaced. (43 pages) (ELR Order No. 05221) (NTIS Order No. EIS 72 5221D)

FEDERAL HIGHWAY ADMINISTRATION

Draft, September 1

Central Fort Collins Expressway, Colo. The statement contains a corridor study for construction of an 8–9 mile section of four-lane highway near Fort Collins. The number of displacements and the amount of right-of-way required will depend upon the alternative selected. (50 pages) (ELR Order No. 05210) (NTIS Order No. EIS 72 5210D)

Draft, September 5

State Route 329, Florida. County: Alachua. The statement refers to a proposal to convert existing two lane S.R. 329 (South Main Street) into a four-lane facility from S.R. 331 to Depot Avenue in Gainesville. An unspecified number of businesses will be displaced. (33 pages) (ELR Order No. 05219) (NTIS Order No. EIS 72 5219D)

Kansas Route 4, Kansas. County: Jefferson. The proposed project is the completion of the remaining section of K–4 between Topeka and Atchinson. Length of the project is 6.5 miles. An unspecified amount of agricultural land is required for right-of-way. (20 pages) (ELR Order No. 05223) (NTIS Order No. EIS 72 5223D)

T.H. 60, Minnesota. Counties: Jackson, Cottonwood, and Watonwan. The statement covers the proposed construction of 20.2 miles of four-lane T.H. 60. The project will generally follow the existing T.H. 60 alignment but will provide bypasses for the municipalities of Windon, Bingham Lake, and Mountain Lake. Five residences, three businesses, and three farmsteads will be displaced. An unspecified amount of agricultural land will be committed to the action. (59 pages) (ELR Order No. 05220) (NTIS Order No. EIS 72 5220D)

U.S. 441 (Gateway to Cherokee), North Carolina. Counties: Jackson and Swain. The statement refers to the proposed widening, realinement and relocation of 5.4 miles of U.S. 441. The proposal also includes a U.S. 19 East Connector to connect U.S. 19 and U.S. 441. Approximately 90 acres of land are required for right-of-way. Three families and three businesses will be displaced. Siltation to Sow Creek, Oconaluftee River, and Tuckasegee River may occur. (37 pages) (ELR Order No. 05215) (NTIS Order No. EIS 72 5215D)

Charging Eagle Bay Bridge and Approaches, North Dakota. Counties: Dunn and McKenzie. The statement considers alternate alignments for construction of approaches and a bridge across the Charging Eagle Bay. An unspecified amount of agricultural land will be committed to the project. (27 pages) (ELR Order No. 05218) (NTIS Order No. EIS 72 5218D)

County Road No. 65C (Bridge Street), New York. County: Montgomery. The statement refers to the proposed reconstruction of CR 65C (Bridge Street) including a new structure over the Penn Central Railroad tracks. Nine families and two businesses will be displaced. (17 pages) (ELR Order No. 05217) (NTIS Order No. EIS 72 5217D)

Final, August 31

Wayne Street Bridge, Indiana. County: Miami. The proposed project involves the replacement of the existing bridge across the Wabash River on Wayne Street. A companion project will provide for the installation of flasher lights at the Chesapeake and Ohio Railroad Crossing, north of the new structure. No harmful effects to the environment are anticipated by the statement. (23 pages) Comments made by: USDA, EPA, and DOI (ELR Order No. 05202) (NTIS Order No. EIS 72 5202F)

BRIAN P. JENNY,
Acting General Counsel.

[FR Doc.72–16132 Filed 9–20–72;8:52 am]

DELAWARE RIVER BASIN COMMISSION

PROPOSED 1974 BUDGET, COMPREHENSIVE PLAN, AND WATER POLLUTION ABATEMENT SCHEDULE

Notice of Public Hearing

Notice is hereby given that the Delaware River Basin Commission will hold a public hearing on Wednesday, September 27, 1972, in the South Auditorium of the ASTM Building, 1916 Race Street in Philadelphia, beginning at 2 p.m. The subjects of the hearing will be as follows:

A. A proposed fiscal year 1974 current expense budget in the amount of $1,865,000 and a capital budget in the amount of $27,000.

B. A proposal to amend the Comprehensive Plan so as to include therein the following water resources projects:

1. *Washington Township Municipal Utilities Authority.* A well water supply project to augment public water supplies in the Whitman Square and Wedgewood sections of Washington Township, Gloucester County, N.J. Designated as Well No. 3, the new facility would be limited to a withdrawal of 45 million gallons per month.

2. *Citizens Utilities Home Water Co.* A well water supply project to augment public water supplies in Upper Providence Township and several adjacent townships and boroughs in Montgomery County, Pa. Designated as Well No. 1, the new facility is expected to yield 430,000 gallons per day.

3. *Crest View Water Co.* A well water supply project to develop public water supplies in the Wallenpaupack Lake Estates area in Paupack and Salem Townships, Wayne Co., Pa. Three wells are expected to yield 338,000 gallons per day.

4. *Horsham Township Authority.* A well water supply project to augment public water supplies in Horsham Township, Montgomery County, Pa. The proposed new facility is expected to yield 288,000 gallons per day.

5. *Valley Forge Industrial Park Water Co.* A well water supply project to augment public water supplies in the Valley Forge Industrial Park located in Lower Providence Township, Montgomery County, Pa. Designated as Well No. 4, the new facility is expected to yield 230,000 gallons per day.

6. *Garden State Water Co.* A well water supply project to augment public water supplies in the vicinity of Blackwood in Gloucester Township, Camden County, N.J. Water will be withdrawn from three existing wells and one new well and the total combined withdrawal would be limited to 75 million gallons per month.

7. *Washington Township Municipal Utilities Authority.* A well water supply project to develop public water supplies in the "Nob Hill Development" area in Washington Township, Gloucester County, N.J. The new facility would be limited to a maximum withdrawal of 7.5 million gallons per month.

8. *Upper Gwynedd-Towamencin Municipal Authority.* Expansion and upgrading of the Authority's sewage treatment plant in Towamencin Township, Montgomery County, Pa. The facility would serve a sewage flow of 6.5 million gallons per day and provide 95 percent reduction of BOD_5. Treated effluent will discharge into Towamencin Creek.

9. *New Castle County Department of Public Works.* A force main and pumping station providing sewage interception and conveyance in an area south of Wilmington. Parts B, C, and D will be constructed to convey about 11 million gallons per day of sewage to the Wilmington treatment plant through the Christiana force main system. Ultimate discharge of treated effluent will be into the Delaware River.

10. *City of Milford.* A well water supply project to augment public water supplies in the city of Milford, Sussex County, Del. Two new wells would be added to the existing system and would be limited to a combined maximum withdrawal of 22.5 million gallons per month.

C. A proposal to approve the following water pollution abatement schedules:

1. *Rollins-Purle, Inc.* (*A–72–5*). An allocation of 200 pounds per day of carbonaceous (first stage) oxygen demand has been made for this facility located in Logan Township, New Jersey, and discharging into Zone 4 of the Delaware estuary. The proposed schedule requires a minimum waste reduction of 89 percent and that treatment facilities to accomplish this reduction shall go into operation no later than September 30, 1974.

2. *Shell Chemical Co.* (*A–72–6*). An allocation of 520 pounds per day of carbonaceous (first stage) oxygen demand has been made for this facility located in Woodbury, N.J., and discharging into Zone 4 of the Delaware estuary. The proposed schedule requires a minimum waste reduction of 89 percent and that treatment facilities to accomplish this reduction shall go into operation no later than November 1, 1974.

3. *Houdry Process & Chemical Co.* (*A–71–16 Rev.*). An allocation of 65 pounds per day of carbonaceous (first stage) oxygen demand has been made for this facility located in Paulsboro, N.J., and discharging to Zone 4 of the Delaware estuary. An abatement schedule for this facility was approved on May 27, 1971, that permitted participation in the Deepwater Preliminary Engineering and Pilot Plant Studies Program. Upon determination that the facility would not be included in a Deepwater Regional System, the company submitted the proposed revision of its Alternate II which sets forth a program for full compliance.

A summary of the proposed 1974 budget is available from the Commission upon request. Documents relating to the other items on the hearing notice may be examined at the Commission's offices. All persons wishing to testify are requested to register in advance with the Secretary to the Commission (Telephone (609)—883–9500).

W. BRINTON WHITALL,
Secretary.

SEPTEMBER 15, 1972.

[FR Doc.72–16066 Filed 9–20–72;8:47 am]

FEDERAL COMMUNICATIONS COMMISSION

CABLE TELEVISION ADVISORY GROUP

Notice of Open Meeting

SEPTEMBER 15, 1972.

The steering committee of the Cable Television Technical Standards Advisory Committee will hold an open meeting October 16, 1972, at 10 a.m. in Room 847S at the FCC, 1919 M Street NW., Washington, DC.

The agenda for the meeting will include consideration of subcommittee progress.

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

[FR Doc.72–16118 Filed 9–20–72;8:50 am]

CABLE TV GOVERNMENT ADVISORY GROUP SUBCOMMITTEE

Notice of Open Meetings

SEPTEMBER 15, 1972.

The Franchising Phase Subcommittee of the Cable Television Federal-State/Local Advisory Committee will hold open meetings on October 19 and November 9, 1972, at 10 a.m. The first meeting will be held in Room A110 of the FCC Annex, 1229 20th Street, NW., Washington, DC; the second meeting will be in Room 847S of the main FCC building, 1919 M Street NW., Washington DC.

The agenda for the first meeting will include organizing a work group of the subcommittee to evaluate Federal priorities in the franchising process; the second meeting will consider the papers which subcommittee members volunteered to prepare at their last meeting. Chairman of the subcommittee is Holt Riddleberger of the National Association of Educational Broadcasters.

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

[FR Doc.72–16119 Filed 9–20–72;8:50 am]

[Canadian List No. 296]

CANADIAN STANDARD BROADCAST STATIONS

Notification List

SEPTEMBER 7, 1972.

List of new stations, proposed changes in existing stations, deletions, and corrections in assignments of Canadian standard broadcast stations modifying the assignments of Canadian broadcast stations contained in the appendix to the recommendations of the North American Regional Broadcasting Agreement Engineering Meeting January 30, 1941.

Call letters	Location	Power kw	Antenna	Schedule	Class	Antenna height (feet)	Ground system: Number of radials	Ground system: Length (feet)	Proposed date of commencement of operation
		580 kHz							
CKXR (now in operation)	Salmon Arm, British Columbia, N. 50°43'05", W. 119°20'20".	10D/1N	DA-N ND-D-180	U	III				
		590 kHz							
CKRS (now in operation)	Jonquiere, Quebec, N. 48°22'15", W. 71°10'20".	10D/5N	DA-2	U	III				
		610 kHz							
CHNL (now in operation)	Kamloops, British Columbia, N. 50°38'50", W. 120°16'15".	10D/1N	DA-N ND-D-181	U	III				
		1340 kHz							
CFED (now in operation)	Chapais, Quebec, N. 49°46'40", W. 74°50'12".	0.25	ND-176	U	IV	140	120	293	
		1440 kHz							
CFGO (change of call sign—PO 10 kw., DA-1).	Ottowa, Ontario, N. 45°16'59", W. 75°44'31".	50	DA-1	U	III				
		1450 kHz							
CHEF (increase in power—PO 1450 kHz, 1 D/0.25 N., ND).	Granby, Quebec, N. 45°19'03", W. 72°41'43".	10D/5N	*DA-2*	U	IV				E.I.O. 9-7-73.
		1490 kHz							
CJPR (change of call sign)	Coleman, Alberta, N. 49°37'39", W. 114°27'59".	1D/0.25N	ND-236	U	IV	330	120 120	300 40	E.I.O. 1-27-73.

[SEAL]

FEDERAL COMMUNICATIONS COMMISSION,
WALLACE E. JOHNSON,
Chief, Broadcast Bureau.

[FR Doc.72-16121 Filed 9-20-72;8:50 am]

[Docket No. 19580; FCC 72-766]

CAPITOL BROADCASTING CORP.

Memorandum Opinion and Order Designating Application for Hearing on Stated Issues

In regard application of Capitol Broadcasting Corp. (WCAW), Charleston, W. Va., Has: 680 kHz, 250 w., 10 kw.-LS, DA-N, U, Requests: 680 kHz, 250 w., 50 kw.-LS, DA-2, U, Docket No. 19580, File No. BP-18309, for construction permit.

1. The Commission has before it for consideration (i) the above-captioned application; (ii) a petition to deny filed by Chemical City Broadcasting Co., licensee of station WTIP, Charleston, W. Va.; (iii) a petition for waiver of § 73.24(g) of the Commission rules; and (iv) pleadings in opposition and response thereto.

2. Chemical City (WTIP) bases its claim for standing on the fact that it competes for advertising revenue with WCAW in Charleston, and that the power increase would have an adverse economic impact upon its station. The Commission finds the petitioner has standing as a party in interest under section 309(d)(1) of the Communications Act, as amended, and § 1.580(i) of the Commission rules. "FCC v. Sanders Brothers Radio Station," 309 U.S. 470, 9 RR 2008 (1940).

3. WCAW requests a waiver of § 73.24 (g) of the rules which requires that the population within the 1 v/m contour not exceed 300 persons or 1 percent of the population within the 25 mv/m contour. At the time of its original waiver request, WCAW concluded that 2,340 people (1.29 percent of the population within the proposed 25 mv/m contour) resided within the proposed 1 v/m contour, and offered to rectify any blanketing problems arising from the power increase. Subsequently, WTIP filed a petition to deny challenging the data filed by WCAW regarding the population within the proposed 1 v/m blanket contour. Its engineering exhibit showed, instead, that 4,794 persons (2.65 percent of the population within WCAW's proposed 25 mv/m contour) reside within the proposed 1 v/m contour. These population figures have been modified several times, and WTIP's most recent supplemental petition indicates that 6,410 people (3.97 percent of the population within WCAW's proposed 25 mv/m contour) live within WCAW's proposed 1 v/m contour.

4. Furthermore, WTIP avers that, based on a systematic listening survey it conducted which employed a variety of receivers, cross-modulation problems presently exist and that such problems will be aggravated by the increase in power requested by WCAW.

5. The Commission has carefully considered all the arguments and data submitted in support of the waiver request and the opposition thereto. We are unable at this time, however, to conclude that a waiver of the blanketing rule would serve the public interest. As proposed, WCAW claims it would cover an additional 4,807 square miles within the proposed 0.5 mv/m interference-free contour, and serve an additional 270,122 people. It is noted, however, that the present WCAW 10 kilowatt daytime operation adequately serves Charleston since its 25 mv/m contour appears to encompass the entire city. This matter, therefore, should be fully explored in hearing.

6. As originally filed, a question arose whether the WCAW proposal would be involved in prohibited overlap with certain existing operations. The Commission has concluded, based on all available data, including considerable field intensity measurements, that no overlap problem is involved.

7. Except as indicated by the issues specified below, the applicant is qualified to construct and operate as proposed. In view of the foregoing, however, the Commission is unable to make the statutory finding that a grant of the subject application would serve the public interest, convenience, and necessity, and is of the opinion that the application must be designated for hearing on the issues set forth below.

8. *Accordingly, it is ordered,* That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the application is designated for hearing at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of station WCAW and the availability of other primary aural (1 mv/m or greater in the case of FM) service to such areas and populations.

2. To determine whether the proposed operation is in compliance with § 73.24(g) of the Commission's rules concerning population within the 1 v/m contour and, if not, whether circumstances exist which would warrant a waiver of said section.

3. To determine in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the application would serve the public interest, convenience and necessity.

9. *It is further ordered,* That Chemical City Broadcasting Co., licensee of station WTIP, Charleston, W. Va., is made a party to this proceeding.

10. *It is further ordered,* That in the event of a grant of the application, the construction permit shall incluude the following condition:

10. *Is is further ordered,* That in the event of a grant of the application, the construction permit shall include the following condition:

Before program tests are authorized, permittee shall submit field intensity measurement data made on the nighttime array to establish that the changes required for the 50 kw. daytime operation have not adversely affected the nighttime radiation pattern. The minimum required measurements shall include at least 10 consecutive points for each of the radials included in the last complete proof of performance on file with the Commission.

11. *It is further ordered,* That, to avail itself of the opportunity to be heard, the applicant and party respondent herein, pursuant to § 1.221(c) of the Commission's rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commision in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

12. *It is further ordered,* That, the applicant herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594 of the Commission's rules, give notice of the hearing, within the time and in the manner prescribed in such rule, and shall advise the Commission of the publication of such notice as required by § 1.594(g) of the rules.

Adopted: August 29, 1972.

Released: September 7, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[1]

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

[FR Doc.72-16116 Filed 9-20-72;8:50 am]

[Docket Nos. 19519, 19581; FCC 72-767]

WESTERN COMMUNICATIONS, INC. (KORK-TV) AND LAS VEGAS VALLEY BROADCASTING CO.

Order Designating Applications for Consolidated Hearing on Stated Issues

In regard applications of: Western Communications, Inc. (KORK-TV), Las Vegas, Nev., Docket No. 19519, File No. BRCT-327, for renewal of license; Las Vegas Valley Broadcasting Co., Las Vegas, Nev., Docket No. 19581, File No. BPCT-4465, for construction permit for new television broadcast station.

1. The Commission has before it for consideration: (a) The application (BRCT-327) of Western Communications, Inc. (Western), for renewal of its license for station KORK-TV, channel 3, Las Vegas, Nev.; (b) the application (BPCT-4465) of Las Vegas Valley Broadcasting Co. (Valley), for a construction permit for a new television broadcast station to operate on channel 3, Las Vegas, Nev.; (c) a "Settlement Agreement" and related materials filed March 9, 1972, by Western and Valley; and (d) a letter filed June 22, 1972, by Valley requesting that its application be designated for comparative hearing with Western's license renewal application for station KORK-TV.

2. By order (FCC 72-503) released June 12, 1972, we designated for hearing, on a qualifications issue, the license renewal application (BRCT-327) of station KORK-TV. We noted that while Valley had filed a competing application for operation on channel 3, Las Vegas, Western and Valley had also filed an agreement looking toward a merger of the two companies. The merger agreement specified that either party might terminate the agreement if any application covered by the agreement was designated for hearing. In view of the terms of the agreement, we provided that if it was terminated by either party, and if Valley indicated that it wanted to prosecuts its application through the hearing, we would then issue an order designating that application for hearing for comparative consideration with the KORK-TV license renewal application. On June 22, 1972, Valley filed a letter indicating that it had terminated the merger agreement and requesting that its application be designated for comparative hearing.[1] Therefore, we shall dismiss the "Settlement Agreement" as moot and designate Valley's application for hearing in a consolidated proceeding in Docket No. 19519.

3. Las Vegas Valley Broadcasting Co. is qualified to construct, own and operate the proposed new television broadcast station and except as indicated by the issues set forth below, Western Communications, Inc., is qualified to own and operate television broadcast station KORK-TV. The applications are, however, mutually exclusive in that operation by the applicants as proposed would result in mutually destructive interference. The Commission is, therefore, unable to make the statutory finding that a grant of the applications would serve the public interest, convenience and necessity, and is of the opinion that they must be designated for hearing in a consolidated proceeding on the issues set forth below.

4. *Accordingly, it is ordered,* That pursuant to section 309(e) of the Communications Act of 1934, as amended, the above-captioned applications are designated for hearing in a consolidated proceeding in Docket No. 19519, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine with respect to the application of Western Communications, Inc.:

(a) Whether the licensee engaged in fraudulent billing practices in violation of § 73.1205 of the Commission's rules and regulations, by certifying to the National Broadcasting Co. in certain documents that the licensee broadcast certain network programs in their entirety, including commercial content, whereas the licensee had deleted certain network commercial advertisements in the programs certified as having been broadcast in their entirety;

(b) Whether in the course of the Commission's inquiry the licensee made misrepresentations to the Commission or was lacking in candor regarding its policies or practices in joining network programs after their beginning, leaving network programs before their end, or extending network station or commercial breaks so as to affect the content of network programs.

(c) Whether in light of the evidence adduced under the preceding issues, Western Communications, Inc., is qualified to remain a licensee of the Commission.

(d) To determine in the event that it is concluded that Western Communications, Inc., is qualified to remain a licensee of the Commission, what impact, if any, the evidence adduced under issues 1(a) and 1(b) would have upon its comparative evaluation.

2. To determine which of the proposals would better serve the public interest.

3. To determine, in light of the evidence adduced pursuant to the foregoing issues, which of the applications should be granted.

5. *It is further ordered,* That the specification of issues herein shall supersede the specification of issues in the Commission's order (FCC 72-503) released June 12, 1972, in this proceeding.

6. *It is further ordered,* That the Broadcast Bureau proceed with the initial presentation of the evidence with respect to issues 1(a) and 1(b), and that Western Communications, Inc., and Las Vegas Valley Broadcasting Co. then proceed with their evidence. The burden of establishing that it possesses the requisite qualifications to be and to remain a licensee of the Commission and that a grant of the application would serve the public interest, convenience and necessity shall be on Western Communications, Inc.

7. *It is further ordered,* That the "Settlement Agreement" filed by Western Communications, Inc., and Las Vegas Valley Broadcasting Co. is dismissed.

8. *It is further ordered,* That to avail itself of the opportunity to be heard, Las Vegas Valley Broadcasting Co., pursuant to § 1.221(c) of the Commission's rules, in person or by attorney, shall, within twenty (20) days of the receipt of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for hearing and present evidence on the issues specified in this order.

9. *It is further ordered,* That Las Vegas Valley Broadcasting Co., pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594 of the Commission's rules, shall give notice of the hearing within the time and in the manner prescribed in such rule and shall advise the Commission thereof as required by § 1.594 of the rules.

Adopted: August 29, 1972.

Released: September 1, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[2]

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

[FR Doc.72-16117 Filed 9-20-72;8:50 am]

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[1] Commissioners H. Rex Lee and Reid absent: Commissioner Hooks not participating.

[1] Valley and Western are in dispute as to whether Valley can properly terminate the settlement agreement at this time. However, this is a private matter to be resolved between the parties and the action we take today is not intended as a determination of this question.

[2] Commissioners H. Ree Lee and Reid absent; Commissioner Hooks not participating.

SPECIAL NIAC WORKING GROUP

Notice of Meeting

SEPTEMBER 20, 1972.

Commissioner Charlotte T. Reid, the FCC's Defense Commissioner, has announced that she is convening the first meeting of a Special NIAC Working Group—Priority of Use and Restoration of Leased Intercity Private Line Services—at 10 a.m., Thursday, September 21, 1972, in Room A–110, Federal Communications Commission Annex, 1229 20th Street NW., Washington, DC.

The purpose of the meeting, Commissioner Reid said, will be to discuss the terminology used in describing private line service (circuit vs. service) and in addition, the quantities of such service that require priority restoration in accordance with the Commission's proposed "Priority System for the Use and Restoration of common carrier-provided Intercity Private Line Services."

The National Industry Advisory Committee (NIAC) is made up of broadcasters and industrial users of communications. Formed in 1958 to advise the Commission on matters relating to emergency communications, its function is to develop plans for use in specific fields of industry covering a broad range of emergency contingencies.

As Defense Commissioner, Commissioner Reid supervises the FCC's emergency communications activities and represents the Commission in meetings on Federal interagency defense matters.

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

[FR Doc.72–16190 Filed 9–20–72;10:07 am]

FEDERAL MARITIME COMMISSION

[FMC–142, Rev. 1–71]

PORT OF SEATTLE AND AMERICAN MAIL LINE, LTD.

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1015; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, DC 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. Alvin L. Sklow, Director, Real Estate, Port of Seattle, Post Office Box 1209, Seattle, WA 98111.

Agreement No. T–2577–1, between the Port of Seattle (Port) and American Mail Line, Ltd. (AML), amends the basic agreement by increasing the amount of space leased in the transit shed on Pier 42N from 50,000 square feet to 100,000 square feet, and relocating the 17,000 square feet of open space previously leased. As compensation, the Port is to receive $6,500 (increased from $3,500) per month in lieu of all tariff charges.

By order of the Federal Maritime Commission.

Dated: September 18, 1972.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.72–16107 Filed 9–20–72;8:49 am]

[Docket No. 72–52]

SEATRAIN LINES, INC. AND SEA-LAND SERVICE INC.

Order of Investigation and Suspension

Seatrain Lines, Inc.—Proposed annual volume contract rates on canned tuna, FMC–F No. 3 Puerto Rico to U.S. Atlantic ports and Sea-Land Service, Inc., proposed decreases in trailerload rates on canned tuna, FMC No. 21 Puerto Rico to U.S. Atlantic and Gulf ports.

On August 15, 1972, Seatrain Lines, Inc. (Seatrain), filed with the Federal Maritime Commission various revised pages to its Homeward Freight Tariff No. 3, FMC–F No. 3 providing for contract rates on Canned Tunafish, canned cat and dog food, and fish meal moving northbound from Puerto Rico, to be effective September 14, 1972.[1] Shippers who execute the contract will be entitled to various levels of rates per container depending upon the cumulative number of containers shipped on an annual basis. The highest rate applies to the first 1,000 containers and the lowest rate to all containers over 1,000 if at least 2,501 containers are shipped during that year. The rate on the containers over 1,000 would be retroactively lowered as each higher volume level is reached.[2] The shipper who signs this contract would agree to ship a minimum of 1,000 containers annually with Seatrain and is subject to a penalty for failure to meet such minimum.

Protests to these proposed rates were filed by Sea-Land Service, Inc. (Sea-Land), Transamerican Trailer Transport (TTT), and Gulf-Puerto Rico Lines, Inc. (GPRL). Issues raised by these protests include:

A. Whether Seatrain's proposed rates are noncompensatory and therefore unlawful under section 18(a) of the Shipping Act, 1916.

B. Whether the contract rates would result in undue preference or advantage to large shippers in violation of section 16 First of the Shipping Act, 1916.

C. Whether the proposed contract is an unfair or unjustly discriminatory contract based upon the volume of freight offered in violation of section 14 Fourth of the Shipping Act, 1916.

D. Whether the retroactive adjustments in rates provided for in the contract constitute deferred rebates in violation of section 14 First of the Shipping Act, 1916, and

E. Whether Seatrain's proposed lower rates will cause unnatural diversion of traffic from ports in the Gulf of Mexico to Atlantic Coast ports.

On August 17, 1972, apparently in response to Seatrain's proposed contract rates, Sea Land filed reductions to its trailerload rates on the same commodities. The proposed reduced rates are more than 40 percent below Sea Land's present rates and are to become effective on September 16, 1972.[3] Both Seatrain and TTT have filed protests thereto, claiming that the proposed reductions will result in noncompensatory rates and will produce instability in the Puerto Rican Trade.

Upon consideration of the reductions and the protests filed thereto, this Commission is of the opinion that these tariff matters should be made the subject of a public investigation and hearing to determine whether they are unjust, unreasonable, or otherwise unlawful under sections 14 First, 14 Fourth, 16 First and 18(a) of the Shipping Act, 1916 and/or sections 3 and 4 of the Intercoastal Shipping Act, 1933, and good cause appearing therefore:

It is ordered, That pursuant to the authority of section 22 of the Shipping Act, 1916, and sections 3 and 4 of the Intercoastal Shipping Act, 1933, an investigation is hereby instituted into the lawfulness of said tariff matters for the purpose of making such findings and orders as the facts and circumstances warrant. In the event the matter hereby

[1] By special permission granted Sept. 11, 1972, Seatrain was permitted to postpone this effective date until Sept. 24, 1972.

[2] There are five volume levels: up to 1,000 containers; 1,001–1,500; 1,501–2,000; 2,001–2,500; 2501 and up. The highest rate under the contract would be approximately $50 per container below Seatrain's present rates on these commodities.

[3] By special permission granted Sept. 12, 1972, Sea-Land was permitted to postpone this effective date until Sept. 24, 1972.

placed under investigation is further changed, amended or reissued such changes will be included in this investigation.

It is further ordered, That, pursuant to section 3, Intercoastal Shipping Act, 1933, the tariff pages listed in Appendix A [4] are hereby suspended and the use thereof deferred to and including January 13, 1973, unless otherwise ordered by this Commission.

It is further ordered, That there shall be filed immediately with this Commission by Sea-Land Service, Inc. and by Seatrain Lines, Inc. consecutively numbered supplements to the aforesaid tariffs which supplements shall bear no effective date, shall reproduce the portion of this order wherein that carrier's suspended matter is described and shall state that the aforesaid matter is suspended and may not be used until January 14, 1973 unless otherwise authorized by this Commission, and that the suspended matter may not be changed until this proceeding has been disposed of or until the period of suspension has expired, whichever comes first, unless otherwise ordered by this Commission.

It is further ordered, That, as part of this investigation, a determination shall be made as to whether Seatrain's proposed contract rates, as set forth in Appendix A, are violative of sections 14 First, 14 Fourth, 16 First and/or 18(a) of the Shipping Act, 1916.

It is further ordered, That, as part of this investigation, a determination shall be made as to whether Sea-Land's reduced rates (Appendix A) are violative of sections 16 First and/or 18(a) of the Shipping Act, 1916.

It is further ordered, That copies of this order shall be filed with the said ance of the Federal Maritime Commission.

It is further ordered, That Sea-Land Service, Inc. and Seatrain Lines, Inc. be named as respondents in this protariff schedules in the Bureau of Compliceeding.

It is further ordered, That Transamerican Trailer Transport, Inc. and Gulf-Puerto Rico Lines, Inc. be named as petitioners in accordance with the Commission's rules of practice and procedure.

It is further ordered, That this proceeding be assigned for public hearing before an administrative law judge of this Commission's Office of Hearing Examiners and that the hearing(s) be held at a date and place to be determined by the presiding administrative law judge.

It is further ordered, That, (I) a copy of this order be served upon each respondent and petitioner herein and upon this Commission's Bureau of Hearing Counsel, and published in the FEDERAL REGISTER, and (II) the respondents, petitioners and Hearing Counsel be duly served with notice of time and place of hearing(s).

It is further ordered, That the provisions of Rule 12 of the Commission's rules of practice and procedure which require leave of the Commission to take testimony by deposition or by written interrogatory if notice thereof is served within 20 days of the commencement of the proceeding, are hereby waived for this proceeding inasmuch as the expeditious conduct of business so requires. The provision of Rule 12(h) which requires leave of the Commission to request admissions of fact and genuineness of documents if notice thereof is served within 10 days of commencement of the proceeding, is similarly waived;

All persons (including individuals, corporations, associations, firms, partnerships, and public bodies) having an interest in this proceeding and desiring to intervene therein, should notify the Secretary of the Commission promptly and file petitions for leave to intervene in accordance with Rule 5(1) of the Commission's rules of practice and procedure (46 CFR 502.72) with a copy to all parties to this proceeding.

By the Commission.

[SEAL] FRANCIS C. HURNEY, *Secretary.*

[FR Doc.72-16040 Filed 9-20-72;8:47 am]

[4] Filed as part of original copy.

[Docket No. 72-43]

SEA-LAND SERVICE, INC.

Denial of Motion for Enlargement of Time

Criteria for establishing level of military rates not detrimental to commerce of United States under section 18(b)(5), Shipping Act, 1916.

Sea-Land Service Inc. has requested an enlargement of time within which to respond to the Commission's notice of proposed rule making in this proceeding published August 22, 1972 (37 F.R. p. 16890)

The initial schedule for comments was devised to permit expeditious development and publication of final rules in this matter. No valid justification has been offered which would encourage us to alter this schedule.

Accordingly, it is ordered that the request of Sea-Land Service Inc. is hereby denied.

By the Commission.

[SEAL] FRANCIS C. HURNEY, *Secretary.*

[FRDoc. 72-16039 Filed 9-20-72;8:47 am]

FEDERAL POWER COMMISSION

[Docket No. RP73-18]

HORNER AND SMITH

Notice of Proposed Changes in Rates and Charges

SEPTEMBER 18, 1972.

Take notice that Horner and Smith on August 30, 1972, tendered for filing proposed changes in its rates charged Michigan Wisconsin Pipeline Co. (Michigan Wisconsin) in accordance with Article XII of Horner and Smith's FPC Gas Tariff Original Volume No. 3. Horner and Smith requests that the proposed effective date be 30 days from the date of filing.

The proposed changes would increase revenues by $80,142.85 based on a volume of 3,205,714 Mcf for the test year ending December 31, 1972, as projected. Horner and Smith states that the reasons for the proposed increase are that Horner and Smith is presently operating at a deficit in its utility operations and that it is hoped that the increase in revenues will result in increased sales to Michigan Wisconsin.

Copies of the filing were mailed to Michigan Wisconsin and to the Louisiana Public Service Commission.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Power Commission, 441 G Street, NW., Washington, DC 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before September 25, 1972. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this application are on file with the Commission and are available for public inspection.

MARY B. KIDD, *Acting Secretary.*

[FR Doc.72-16168 Filed 9-20-72;8:53 am]

[Docket No. CI73-133]

McCULLOCH OIL CORPORATION OF TEXAS

Notice of Application

SEPTEMBER 11, 1972.

Take notice that on August 25, 1972, McCulloch Oil Corp. of Texas (Applicant), 10880 Wilshire Boulevard, Los Angeles, CA 90024, filed in Docket No. CI73-133 an application pursuant to section 7(c) of the Natural Gas Act and § 2.75 of the Commission's general policy interpretations (18 CFR 2.75) for a certificate of public convenience and necessity authorizing the sale for resale and delivery of natural gas in interstate commerce to Northern Natural Gas Co. (Northern) from the S. W. Morse Field, Hutchinson and Hansford Counties, Tex., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes under the optional gas pricing procedure to sell natural gas to Northern from the S. W. Morse Field at a rate of 26.5 cents per Mcf at 14.65 p.s.i.a. subject to upward and downward B.t.u. adjustment.

Applicant states that sales from the subject acreage were originally contracted with Northern by Applicant's predecessor, R. P. Fuller, et al., a small producer, but that no deliveries from the subject acreage were made by Fuller.

Applicant further states that in June 1972, when it purchased Fuller's interest, inter alia, it agreed to assume the liability for prepayment of $1.5 million previously made to Fuller by Northern, and that at the time of purchase the S. W. Morse Field consisted of 6 to 7 producing, but shut in, gas wells, capable of producing about 4,000 Mcf of natural gas per day.

Applicant states that as part of the consideration for the 26.5-cent rate under its new and superseding contract with Northern for the sale of gas from the subject acreage, it has agreed to commence a drilling and development program designed to increase the deliverability of the subject field from the present 4,000-Mcf per day potential, to a potential deliverability of up to 14,000 Mcf per day. Applicant estimates that it will be necessary to drill an additional 35 shallow wells, averaging about 3,200 feet at a total cost of about $1.5 million. Applicant also estimates that the present field reserves of about 25 million Mcf should be increased to about 50 million Mcf by the drilling and development program.

Applicant asserts that the public convenience and necessity require issuance of a certificate on the terms proposed in its application because:

1. The proposed cash flow from its proposed drilling and development program is planned and is based directly upon the provisions of its contract with Northern, particularly the 26.5-cent price provision;

2. The original contract price for sales from the subject acreage by R. P. Fuller et al., was set at the same initial price as proposed herein;

3. The Commission has recently certificated sales in the nearby Permian Basin at 27.0 cents per Mcf;

4. The Commission has approved a number of limited-term sales from nearby Hugoton-Anadarko and Permian Basin areas at prices between 29.8 cents per Mcf and 33.5 cents per Mcf; and

5. There are a number of pending independent producer applications for certificates for sales from the Hugoton-Anadarko and Permian Basin areas at rates in excess of that proposed herein.

Any person desiring to be heard or to make any protest with reference to said application should on or before October 3, 1972, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-16070 Filed 9-20-72;8:47 am]

[Docket No. CP73-68]

TENNESSEE GAS PIPELINE CO.

Notice of Application

SEPTEMBER 19, 1972.

Take notice that on September 11, 1972, Tennessee Gas Pipeline Co., a Division of Tenneco, Inc. (Applicant), Post Office Box 2511, Houston, Texas 77001, filed in Docket No. CP73-68 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the transportation of natural gas in interstate commerce for Valley Gas Co. (Valley), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant requests authorization to transport an estimated 230,000 Mcf of natural gas for Valley until October 31, 1973. Said gas would be delivered at Applicant's Pawtucket Sales Meter Station in Providence County, R.I.

Applicant states that in order to meet its peak shaving requirements dlring the 1972–73 winter season, Valley contracted to purchase liquefied natural gas (LNG) from New England LNG Co., Inc. (New England). Pursuant to the contract New England was to have delivered the LNG by truck to Valley's LNG storage facility at Cumberland, R.I. Applicant indicates, however, that Valley will be unable to utilize its LNG storage facility to store LNG for the 1972–73 winter season. Applicant states that Valley has made arrangements whereby New England will store the LNG it proposes to sell to Valley at the LNG storage facility of Lowell Gas Co. (Lowell) located in Tewksbury, Mass. Applicant states that Lowell has agreed to vaporize the LNG stored for Valley into daily volumes of natural gas up to a total winter season quantity of 230,000 Mcf and to inject these volumes into its distribution system. Lowell will make equivalent volumes of natural gas available to Applicant for transportation to Valley by reducing the amount of natural gas it takes from Applicant under Applicant's FPC Gas Rate Schedule G-6. Applicant states that it will transport and deliver to Valley the transportation volumes scheduled by Valley up to a total maximum daily quantity of 5,000Mcf of natural gas.

Applicant states that the monthly transportation charge for the service proposed will be derived as follows:

Demand charge. For each month, the demand charge shall be the product of the demand rate of 29.41 cents per Mcf multiplied by the maximum daily LNG transportation quantity of 5,000 Mcf.

Volume charge. For each month, the volume charge shall be the product of the volume rate of 4.90 cents per Mcf multiplied by the volume of natural gas actually delivered by Applicant to buyer.

Applicant further states that the monthly transportation charge will be subject to the following minimum charge provisions:

Minimum bill. The minimum monthly bill shall be the demand charge for the month. The minimum annual bill shall be 12 times the minimum monthly bill plus an amount equal to the product of the maximum daily LNG quantity of 5,000 Mcf multiplied by 30 days, multiplied by the volume rate of 4.90 cents per Mcf.

It appears reasonable and consistent with the public interest in this case to prescribe a period shorter than 15 days for the filing of protests and petitions to intervene. Therefore, any person desiring to be heard or to make any protest with reference to said application should on or before October 2, 1972, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be

unnecessary for Applicants to appear or be represented at the hearing.

MARY B. KIDD,
Acting Secretary.

[FR Doc.72-16169 Filed 9-20-72;8:53 am]

FEDERAL TRADE COMMISSION

LAUNDERING PROCEDURES FOR CARPETS AND RUGS

Extension of Requirement

The Commission by notice published in the FEDERAL REGISTER on May 19, 1972 (37 F.R. 10104), announced that it had determined to suspend temporarily the present washing requirement under DOC FF 1-70 for carpets containing alumina trihydrate in the backing until September 15, 1972, during which time public hearings would be held for the purpose of (1) considering the possible need for an alternative washing procedure, (2) considering the adoption of specified alternative procedures proposed in the course of the hearings, and (3) obtaining information concerning alumina trihydrate and other substances possessing flame retardant properties and their utilization and characterization as fire retardant treatments. (The suspension of washing procedures did not apply to carpets that are subject to DOC FF 2-70.)

To permit further consideration of the matter, the Commission has determined to extend its suspension of the present washing requirement under DOC FF 1-70 for carpets containing alumina trihydrate in the backing until November 3, 1972.

By direction of the Commission dated September 15, 1972.

[SEAL] CHARLES A. TOBIN,
Secretary.

[FR Doc.72-16189 Filed 9-20-72;9:06 am]

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

A-V ELECTRONICS, INC.

Order Suspending Trading

SEPTEMBER 12, 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 A-V Electronics, 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 10 a.m., e.d.t., on September 13, 1972, through September 22, 1972.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-16054 Filed 9-20-72;8:46 am]

[81-113]

CENTURY PROPERTIES FUND 71-3

Notice of and Order for Hearing on Application for Exemption

SEPTEMBER 13, 1972.

Notice is hereby given that Century Properties Fund 71-3 (applicant) has filed an application pursuant to section 12(h) of the Securities Exchange Act of 1934, as amended (the Act), for an exemption from the registration provisions of section 12(g) of the Act by reason of the limited amount of trading interest in its securities, the sophistication and financial position of its investors, the reports furnished by it to its investors, the limited situations in which its investors would be entitled to vote on applicant's decisions, and the nature and extent of its activities. Exemption from section 12(g) of the Act will have the additional effect of exempting the applicant from sections 13 and 14 of the Act and any officer, director, or beneficial owner of more than 10 percent of the applicant's securities from section 16 thereof. Applicant additionally seeks an exemption from the provisions of section 15(d) of the Act.

Section 12(g) of the Act requires the registration of the equity securities of every issuer which is engaged in, or in a business affecting, interstate commerce or whose securities are traded by use of the mails or any means or instrumentality of interstate commerce and, on the last day of its fiscal year, has total assets exceeding $1 million and a class of equity security held of record initially by 750 or more persons and after July 1, 1966, by 500 or more persons.

Section 12(h) empowers the Commission to exempt, in whole or in part, any issuer or class of issuers from the registration, periodic reporting and proxy solicitation provisions and to grant exemptions from the insider reporting and trading provisions of the Act if the Commission finds, by reason of the number of public investors, amount of trading interest in the securities, the nature and extent of the activities of the issuer, or otherwise, that such exemption is not inconsistent with the public interest or the protection of investors.

The applicant's application states, in part:

(1) The applicant was organized in 1971 as a limited partnership under the Uniform Limited Partnership Act of California for the purpose of acquiring, operating, and holding for investment income-producing real estate. It began the sale of limited partnership interests on September 20, 1971.

(2) As of December 31, 1971, it had approximately 873 limited partners and total assets of approximately $7,200,000.

(3) The applicant has requested a hearing before the Commission in this matter.

For a more detailed statement of the information presented, all persons are referred to said application which is on file in the offices of the Commission at 500 North Capitol Street NW., Washington, DC.

It is ordered, Pursuant to section 12(h) of the Securities Exchange Act of 1934, as amended, that a hearing on the application of Century Properties Fund 71-3 for an exemption from sections 12(g), 13, 14, and 15(d) of the Act and for an exemption for its general partner and officers and directors from the provisions of section 16 of the Act be held on October 16, 1972, at 10 a.m. at the offices of the Securities and Exchange Commission, 500 North Capitol Street, Washington, DC. At such time, the hearing room clerk will designate the room in which such hearing will be held. An officer will be designated later to preside at the hearing. Any person desiring to be heard is directed to file with the Secretary of the Commission his request, as provided for by Rule 9(c) of the Commission's rules of practice, setting forth any issues of fact or law which he desires to controvert and/or setting forth any additional issues which he feels should be considered.

The Division of Corporation Finance advises that it has made a preliminary examination of the application and that, on the basis thereof, the following matters and questions are to be presented for consideration at the hearing:

(1) Whether the nature and extent of the activities of the applicant are such to justify the requested exemption;

(2) Whether adequate information is and will be available to investors concerning the financial and business affairs of the applicant, the management of the applicant and the transactions of management in the securities of the applicant; and

(3) Generally, whether the requested exemption is consistent with the public interest and with the protection of investors.

It is further ordered, That the Secretary of the Commission shall give notice of the aforesaid hearing by mailing a copy of this notice and order to Century Properties Fund 71-3, and its attorney and that notice to all other persons be given by publication of this notice and order in the FEDERAL REGISTER and that a general release of this Commission in respect of this notice and order be distributed to the press and mailed to those persons whose names appear on the mailing list for releases.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-16082 Filed 9-20-72;8:47 am]

[File No. 500-1]

LEISURE CONCEPTS, INC.

Order Suspending Trading

SEPTEMBER 13, 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 Leisure Concepts, 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 14, 1972, through September 23, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-16055 Filed 9-20-72;8:46 am]

MERIDIAN FAST FOOD SERVICES, INC.

[File No. 500-1]

Order Suspending Trading

SEPTEMBER 12, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $0.01 par value, of Meridian Fast Food Services, 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 13, 1972 through September 22, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-16056 Filed 9-20-72;8:46 am]

[70-5235]

OHIO POWER CO.

Notice of Proposed Issue and Sale of First Mortgage Bonds and Preferred Stock at Competitive Bidding

SEPTEMBER 14, 1972.

Notice is hereby given that Ohio Power Co., 301 Cleveland Avenue SW., Canton, OH 44701 (Ohio Power), an electric utility subsidiary company of American Electric Power Co., Inc. (AEP), a registered holding company, has filed an application and an amendment thereto with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating section 6(b) of the Act and Rule 50 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the application, as amended, which is summarized below, for a complete statement of the proposed transactions.

Ohio Power proposes to issue and sell, pursuant to the competitive bidding requirements of Rule 50 under the Act, $25 million aggregate principal amount of first mortgage bonds. The proposed series of bonds will bear a single maturity date within the range of from 5 to 30 years, such maturity date to be determined not less than 72 hours prior to the opening of the bids. The interest rate on the bonds (which shall be a multiple of one-eighth of 1 percent) and the price to be paid to Ohio Power (which shall not be less than 99 percent nor more than 102¾ percent of the principal amount thereof) will be determined by the competitive bidding. The bonds will be issued under and pursuant to the provisions of the Mortgage and Deed of Trust, dated as of October 1, 1938, made by Ohio Power to Manufacturers Hanover Trust Co., as trustee, as heretofore supplemented and amended and as to be further supplemented and amended by a Supplemental Indenture to be dated as of the first day of the month in which the bonds are issued and which includes a prohibition until October 1, 1977, against refunding the issue with the proceeds of funds borrowed at an effective interest cost lower than that of such bonds.

Ohio Power also proposes to issue and sell, subject to the competitive bidding requirements of Rule 50 under the Act, 450,000 shares of a new series of cumulative preferred stock, par value $100 per share. The dividend rate of the preferred stock (which will be expressed in a multiple of 0.04 of 1 percent) and the price to be paid to Ohio Power (which shall be not less than $100 per share and shall not exceed $102.75) will be determined by the competitive bidding. The terms of this new series of the preferred stock include a prohibition until October 1, 1977, against refunding such preferred stock, directly or indirectly, with funds derived from the issuance of debt securities at a lower effective interest rate or other preferred stock at a lower effective dividend cost.

The proceeds from the sale of the bonds and preferred stock will be applied to the payment of Ohio Power's unsecured short term indebtedness, estimated to be outstanding in the amount of $110 million at the time of the sale. It is estimated that prior to that time, AEP will make a cash capital contribution to Ohio Power in the amount of $30 million. Ohio Power's construction program is estimated at $220 million for 1972, exclusive of construction costs in connection with the General James M. Gavin Plant incurred subsequent to being transferred to Ohio Electric Co., a subsidiary company of Ohio Power (Holding Company Act Release No. 17504, March 21, 1972).

It is stated that the Public Utilities Commission of Ohio has jurisdiction over the issue and sale of the bonds and preferred stock and that no other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions. The fees and expenses to be incurred by Ohio Power in connection with the proposed transactions will be supplied by amendment.

Notice is further given that any interested person may, not later than October 5, 1972, request in writing that a hearing be held on such matter stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as amended or as it may be further amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-16083 Filed 9-20-72;8:47 am]

TARIFF COMMISSION

[337-30]

CERTAIN WRITING INSTRUMENTS AND NIBS THEREFOR

Notice of Investigation

A complaint was filed with the Tariff Commission on November 23, 1971, on behalf of Venus Esterbrook Corp. of New York, N.Y., alleging unfair methods of competition and unfair acts in the importation and sale of certain writing instruments which are embraced within

the claims of U.S. Patent No. 3,338,216 and nibs for such writing instruments which contribute to the practice of the claims of said patent. The complaint alleges that the effect or tendency of the unfair methods or acts is to destroy or substantially injure an industry, efficiently and economically operated, in the United States in violation of the provisions of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). Accutec, Inc., 168 Main Avenue, Wallington, N.J.; Major Line, Inc., 16019 Valley View Avenue, Santa Fe Springs, CA; Ultra, Inc., 23771 Blackstone, Warren, MI; and Micropoint Engineering Co., Sunnyvale, CA; have been named as importers of the subject products. Having conducted in accordance with § 203.3 of the Commission's rules of practice and procedure (19 CFR 203.3) a preliminary inquiry with respect to the matters alleged in the said complaint, the U.S. Tariff Commission, on September 14, 1972: *It is ordered*:

That, for the purposes of section 337 of the Tariff Act of 1930, an investigation is instituted with respect to the alleged violations in the importation and sale in the United States of certain writing instruments and nibs therefor.

The Commission decided at this time not to recommend that the President issue a temporary exclusion order.

A public hearing will be held; the date, time, and place of such hearing will be announced by notice of the Commission at a later date.

Public notice of the receipt of the complaint was published in the FEDERAL REGISTER for December 10, 1971 (36 F.R. 23596), and the complaint was served on the parties named in the complaint and has been available for inspection by interested persons continuously since issuance of the notice, at the Office of the Secretary, located in the Tariff Commission Building, and also in the New York City office of the Commision, located in Room 437 of the Customhouse.

Issued: September 18, 1972.

By order of the Commission.

[SEAL] KENNETH R. MASON,
Secretary.

[FR Doc.72-16112 Filed 9-20-72;8:49 am]

INTERSTATE COMMERCE COMMISSION

[Ex Parte, 241; Rule 19, Exemption 19]

BALTIMORE AND OHIO RAILROAD CO. ET AL.

Exemption from Mandatory Car Service Rules

It appearing, that there has been a substantial increase in the movement of grain and grain products originating at stations on the railroads listed herein; that major harvests of corn, milo, and soybean are commencing in the areas served by these railroads; that boxcar supplies available to these railroads are inadequate to meet all of the needs of the shippers served by them; that surpluses of plain boxcars exist on certain railroads; and that these railroads have consented to the use of their cars by the railroads listed herein.

It is ordered, That pursuant to the authority vested in me by Car Service Rule 19, plain boxcars described in the Official Railway Equipment Register, ICC R.E.R. No. 384, issued by W. J. Trezise, or successive issues thereof, as having mechanical designation XM, with inside length 44 feet 6 inches or less and regardless of door width, owned by the following railroads:

The Baltimore & Ohio Railroad Co.
Bangor & Aroostook Railroad Co.[1]
The Chesapeake & Ohio Railway Co.
Delaware & Hudson Railway Co.
The Denver & Rio Grande Western Railroad Co.[1]
Illinois Terminal Railroad Co.[1]
Toledo, Peoria & Western Railroad Co.[1]

are exempt from the provisions of Car Service Rules 1 and 2 when located empty on, or loaded by, any of the lines named below:

The Atchison, Topeka & Santa Fe Railway Co.
Burlington Northern, Inc.
The Colorado & Southern Railway Co.
Forth Worth & Denver Railway Co.
Chicago & Eastern Illinois Railroad Co.
Chicago & North Western Railway Co.
Chicago, Milwaukee, St. Paul, & Pacific Railroad Co.
Chicago, Rock Island, & Pacific Railroad Co.
Illinois Central Gulf Railroad Co.
Missouri-Kansas-Texas Railroad Co.
Missouri Pacific Railroad Co.
Norfolk & Western Railway Co.
(Lines Connersvile, Ind., and Montpelier, Ohio, and west, including stations on line between Connersville and Montpelier via New Castle, Muncie, Bluffton, Kingsland, Fort Wayne, and Butler, Ind.)
St. Louis-San Francisco Railway Co.
St. Louis Southwestern Railway Co.
Soo Line Railroad Co.
Union Pacific Railroad Co.

Effective September 14, 1972.

Expires November 15, 1972.

Issued at Washington, D.C., September 14, 1972.

INTERSTATE COMMERCE COMMISSION,
[SEAL] R. D. PFAHLER,
Agent.

[FR Doc.72-16125 Filed 9-20-72;8:51 am]

[Ex Parte 241; Rule 19, Exemption 20]

SEABOARD COAST LINE RAILROAD CO.

Exemption from Mandatory Car Service Rules

It appearing, that there is an emergency movement of military impedimenta from Camp Lejeune, N.C., to Fort Stewart, Ga.; that the originating carrier has insufficient system cars of suitable dimensions immediately available for loading with this traffic; that sufficient cars of other ownerships having suitable dimensions are available on the lines of the originating carrier and on its connections; and that compliance with Car Service Rules 1 and 2 would prevent the timely assembly and use of such cars.

It is ordered, That pursuant to the authority vested in me by Car Service Rule 19, the Car Service Division of the Association of American Railroads is authorized to direct the movement to the Seaboard Coast Line Railroad Co., the railroads designated by the Car Service Division are authorized to move to, and the Seaboard Coast Line Railroad Co. is authorized to accept, assemble, and load not to exceed forty (40) empty cars with military impedimenta from Camp Lejeune, N.C., to Fort Stewart, Ga., regardless of the provisions of Car Service Rules 1(b), 2(c), 2(d), or 2(e).

Effective September 22, 1972.

Expires November 15, 1972.

Issued at Washington, D.C., September 15, 1972.

INTERSTATE COMMERCE COMMISSION,
[SEAL] R. D. PFAHLER,
Agent.

[FR Doc.72-16126 Filed 9-20-72;8:51 am]

[Rev. S.O. 994; Rev. I.C.C. Order 71, Amdt. 5]

RAILROADS OPERATING IN CERTAIN STATES

Rerouting or Diversion of Traffic

Upon further consideration of Revised ICC Order No. 71 (Railroads operating in the States of Maryland, Delaware, Pennsylvania, and New York) and good cause appearing therefor:

It is ordered, That:

Revised ICC Order No. 71 be, and it is hereby, amended by adding the following paragraph (h) thereto:

(h) *Exception:* The provisions of Revised ICC Order No. 71 Under Revised Service Order No. 994 shall not apply to traffic originally routed via Penn Central-Wilkes Barre-Delaware and Hudson or Delaware and Hudson-Wilkes Barre-Penn Central, which traffic shall be rerouted under authority of Revised Service Order No. 1110.

It is further ordered, That this amendment shall become effective at 12:01 a.m., September 18, 1972, and that this amendment shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that it be filed with the Director, Office of the Federal Register.

Issued at Washington, D.C., September 15, 1972.

INTERSTATE COMMERCE COMMISSION,
[SEAL] R. D. PFAHLER,
Agent.

[FR Doc.72-16127 Filed 9-20-72;8:51 am]

[1] Addition.

[No. 35643]

SCHUSTER'S EXPRESS, INC.

Petition for Declaratory Order; Consolidation Services

AUGUST 7, 1972.

By petition filed on June 26, 1972, Schuster's Express, Inc., requests the Commission to enter a declaratory order pursuant to section 554(e) of the Administrative Procedure Act, 5 U.S.C. § 554(e), determining the various factors which would constitute the "totality of circumstances" under which an affiliated company of a regulated carrier may provide consolidation service to shippers without the requirement that the regulated carrier publish the charges for the service in its tariffs. In support of its request, petitioner alleges substantially as follows:

1. In No. 35093, Schuster's Express, Inc.—Investigation of Practices (not printed, decision and order of Review Board Number 4, dated August 12, 1970), the Commission found that sections 216 and 217 of the Interstate Commerce Act required Schuster's Express to incorporate in its tariffs the charges for consolidation services performed by two of its affiliates, namely, ConnMass Packing Co., Inc., and ConnMass Packing and Trucking Co., Inc. In making the determination, the Commission stated that it considered the "totality of circumstances," and that the mere affiliation between Schuster's Express and the other two companies was not the controlling factor.

2. Consolidation service, in and of itself, is not subject to regulation by the Commission.

3. If a regulated motor carrier provides consolidation service, it must publish the charges therefor in its tariffs; and the charges must be just and reasonable.

4. Carriers may not refuse to handle shipments which have been consolidated by the shipper or its agent.

5. There is a question of whether the charges for consolidation services performed by an affiliate of a regulated carrier must be published in the carrier's tariffs. No such requirement was made in Aggregate Rates on Wearing Apparel, 318 ICC 287; on the other hand, it was made in No. 35093, supra, where the Commission did not specify the factors that were and are to be considered in determining what constitutes the "totality of circumstances."

6. Certain carriers offer consolidation services to the shipping public through wholly owned subsidiaries, although none of them publishes any tariffs therefor. These companies, with their affiliates shown in parentheses, are: Adley Express Co. (Jet Consolidating); Blue Line Express, Inc. (Massachusetts Consolidation); Boston and Taunton Transportation Co. (Bos-Taun Consolidators); Hartman Transportation Co., Inc. (American Consolidating Co., Inc.); Hemingway Transport, Inc. (Hemco); Highway Express Co. (Hub Consolidating Service Co., Inc.); M & M Transportation Corp. (Mutual Consolidating); Plymouth Rock Transportation Corp. (Puritan Packing); Shulman, Inc. (Shulco); Stone Express, Inc. (Paco, Inc.); and Yale Transport Corp. (Nationwide Packing). Schuster is placed at a disadvantage with these competitive companies.

7. Schuster's Express has published the charges for the consolidation services performed by its affiliates, and these have become effective; hence, it is presumed that the tariff satisfies the requirements of sections 216 and 217 of the act. Schuster's Express now desires to have its affiliates publish their own charges, as is done by affiliates of its competitors. The services are performed by the affiliates. Since, however, Schuster's Express publishes the charges, questions of liability have arisen even though loss of, or damage to, a shipment may have resulted from the acts of the consolidator and not of the carrier.

8. In No. 35093, supra, a cease and desist order was issued by the Commission. Despite the fact that the Commission has recognized that mere affiliation between the consolidator and the motor carrier does not require tariff publication by the carrier, if Schuster's Express follows the same practices of its competitors, it runs the risk of violating the cease and desist order. Unless its rights and those of comparable carriers all over the United States are defined by the instant petition, Schuster's Express would be subject to civil and criminal liability. Additionally, it would be subject to a finding of unfitness which would affect its ability to acquire any other carrier in a future section-5 proceeding or to extend its authority by an application proceeding under section 207 of the act.

9. Schuster's Express seeks to avoid any operations which may be deemed to violate the provisions of the act. Accordingly, it requests the Commission to declare and to determine the circumstances under which its affiliates and those of other carriers may provide consolidation service without the necessity for publishing a tariff covering these services.

10. Schuster's Express represents to the Commission that ConnMass Packing Co., Inc., and ConnMass Packing and Trucking Co., Inc., are its affiliates; that these affiliates will provide the consolidation services, each having its own employees and facilities; that, to the extent Schuster's Express provides any indirect services for its affiliates, they will make reimbursement through appropriate charges; and that the charges to be assessed will be just and reasonable and will not be predicated upon the carrier ultimately performing over-the-road transportation.

Any person interested in the matter which is the subject of the petition and who wishes to participate actively in any further proceedings herein shall notify this Commission, by filing with the Office of Proceedings, Room 5354, 12th and Constitution Avenue NW., Washington, D.C., 20423, within 30 days of the date of publication of this notice in the FEDERAL REGISTER, an original and one copy of a statement of his intention to participate. Thereafter, the nature of further proceedings herein, if any (which might include reopening of No. 35093 and consolidation herewith), will be designated. The petition and statements of intent to participate, if any, will be available for public inspection at the offices of the Interstate Commerce Commission, during regular business hours.

A copy of this notice will be served upon the petitioner, and notice of the filing of the petition will be given to the general public by depositing a copy of this notice in the Office of the Secretary of the Commission at Washington, D.C., and by delivering a copy hereof to the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16128 Filed 9-20-72;8:51 am]

[Notice No. 80]

ASSIGNMENT OF HEARINGS

SEPTEMBER 18, 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 51146 Sub 246, Schneider Transport & Storage, Inc., now assigned September 18, 1972, at Chicago, Ill., is postponed indefinitely.

MC 129291 Sub 5, McDaniel Motor Express, Inc., now being assigned December 4, 1972 (1 week), at Frankfort, Ky., in a hearing room to be later designated.

MC 117799 Sub 17, Best Way Frozen Express, Inc., now being assigned hearing November 13, 1972 (1 week), at Philadelphia, Pa., in a hearing room to be later designated.

MC 136383, Recreational Transportation for the Aged, Inc., now assigned October 2, 1972, will be held in Room B-2231, 26 Federal Plaza, New York, N.Y.

MC-F-11557, Thousand Island Bus Lines, Inc. — Purchase (Portion) — Greyhound Lines, Inc., MC 1515 Sub 179, Greyhound Lines, Inc., now assigned October 5, 1972, will be held in the Federal Courtroom, U.S. Post Office Building, 431 State Street, Ogdensburg, NY.

I & S M-25977, Classification of gelatin capsules, now assigned September 27, 1972, at Washington, D.C., is postponed to October 17, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

I & S M-25955, Classification ratings on candy or confectionery, now assigned October 3, 1972, at Washington, D.C., is postponed to October 19, 1972, at the Offices of the Intertsate Commerce Commission, Washington, D.C.

I & S 8764, Fruits and vegetables, Eastbound Transcontinental, now assigned October 30, 1972, at Washington, D.C., is postponed to January 3, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

AB–5–1, George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees of the property of Penn Central Transportation Co., debtor, abandonment between Williamsport, Pa., and Southport, N.Y., in Lycoming, Tioga, and Bradford Counties, Pa., and Chemung County, N.Y., continued to September 21, 1972, at the Offices of the Interstate Commerce Commission, Wahington, D.C.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72–16129 Filed 9–20–72;8:51 am]

[Notice 125]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 14, 1972.

The following are notices of filing of applications[1] for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC–67 (49 CFR 1131) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 8535 (Sub-No. 39 TA), filed September 1, 1972. Applicant: GEORGE TRANSFER AND RIGGING COMPANY, INCORPORATED, Post Office Box 500, Interstate 83 at Route 439, Parkton, MD 21120. Applicant's representative: James B. Nestor (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Composition board and materials and accessories* used or useful in the installation thereof, from Deposit, N.Y., to points in Pennsylvania, Virginia, and West Virginia, for 180 days. Supporting shipper: David H. Wetzel, Traffic Manager, the Celotex Corp., Post Office Box 22602, Tampa, FL 33622. Send protests to: William L. Hughes, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 814–B Federal Building, Baltimore, Md. 21201.

No. MC 10223 (Sub-No. 5 TA), filed September 5, 1972. Applicant: ROBERT E. MACK, CARL BROWN, SOPHIE R. MACK, ESTELLE M. FRUN, AND THERESA R. MOLLOY, doing business as MACK TRANSPORTATION COMPANY, 4300–32 Torresdale Avenue, Philadelphia, PA 19124. Applicant's representative: John W. Frame, Box 626, 2207 Old Gettysburg Road, Camp Hill, PA 17011. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in by department stores, between the stores and facilities of Bamberger's, Division of R. H. Macy & Co., Inc., at Nanuet, N.Y., and Bloomfield, N.J., for 150 days. Supporting shipper: Bamberger's, a division of R. H. Macy & Co., Inc., Newark, N.J. 07101. Send protests to: F. W. Doyle, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1518 Walnut Street, Room 1600, Philadelphia, PA 19102.

No. MC 13806 (Sub-No. 39 TA) filed August 30, 1972. Applicant: VIRGINIA HAULING COMPANY, Post Office Box 9525, Lakeside Station, Richmond, VA 23228, Mountain Road Office: Glen Allen, Va. 23060. Applicant's representative: Shearer C. Bowman (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Fireplace logs* made from sawdust, mixed with petroleum wax, from the plant and warehouse of Old Kentucky Log Co., Orange, Va., to points in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Maryland, Michigan, Connecticut, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, West Virginia, and Wisconsin, for 180 days. Supporting shipper: Husky Industries, 62 Perimeter Center East, Atlanta, GA 30346. Send protests to: Robert W. Waldron, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 10–502 Federal Building, Richmond, Va. 23240.

No. MC 21455 (Sub-No. 29 TA), filed August 22, 1972. Applicant: GENE MITCHELL CO., 1106 Division Street, West Liberty, IA 52776. Applicant's representative: Kenneth F. Dudley, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Precut buildings, materials, and hardware,* from Scranton, Pa., to points in Connecticut, Delaware, Indiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Virginia, and West Virginia, for 180 days. Supporting shipper: Lindal Homes N. E., Inc., Post Office Box 120, West Scranton, PA 18504. Send protests to: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 26396 (Sub-No. 59 TA), filed September 1, 1972. Applicant: POPELKA TRUCKING CO., doing business as THE WAGGONERS, Post Office Box 990, 201 West Park, Livingston, MT 59047. Applicant's representative: Wayne Waggoner (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Siding, roofing, and other component parts and accessories for mobile homes, modular and assembled buildings, recreational vehicles and campers; aluminum articles, aluminum pipe or tubing, coil sheet and/or plate; and rejected or damaged shipments of the same material as above, scrap aluminum, and pallets on a return movement,* from Boise, Idaho to points in Montana, for 180 days. Supporting shipper: Amax Building Products, 28921 East Highway 74 (Post Office Box 1058), Perris Valley, CA 92370. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 251, U.S. Post Office Building, Billings, Mont. 59101.

No. MC 43475 (Sub-No. 54 TA), filed August 31, 1972. Applicant: GLENDENNING MOTORWAYS, INC., 1665 West County Road C-Roseville, St. Paul, MN 55113. Applicant's representative: James L. Nelson, 325 Cedar Street, St. Paul, MN 55101. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: (1) *Bentonite clay,* in bags, from Burnett, Minn., to points in Wisconsin, and to points in Illinois on and north of a line beginning at the junction of U.S. Highway 30 with the Illinois-Indiana State line, thence west over U.S. Highway 30 to junction Interstate Highway 80 at or near Joliet, Ill., thence west over Interstate Highway 80 to junction Interstate Highway 280, thence west over Interstate Highway 280 to Rock Island, Ill., including points on said highways; and (2) *returned or rejected shipments, and equipment, materials, and supplies* used in the mining and processing of bentonite clay, from the destination territory described in (1) above, to Burnett, Minn., the authority sought in part (2) above being restricted against the movement of commodities in bulk and those which because of size or weight require special handling or the use of special equipment, for 180 days. Supporting shipper: Hallett Minerals Co., Post Office Box 7024, Duluth, MN 55807. Send protests to: District Supervisor Raymond T. Jones, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South 4th Street, Minneapolis, MN 55401.

No. MC 44639 (Sub-No. 57 TA), filed September 5, 1972. Applicant: L. & M. EXPRESS CO., INC., 220 Ridge Road, Lyndhurst, NJ 07071. Applicant's representative: Herman B. J. Weckstein, 60 Park Place, Newark, NJ 07102. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: (1) *Wearing apparel;* and (2) *materials and supplies* used in the manufacture of wearing apparel between Powhatan, Va., on the one hand, and, on the other, Crewe, Va., and the New York, N.Y., commercial zone, for 180 days. Supporting shipper: Jo-Matthews, Inc., 525 Seventh Avenue, New York, NY. Send protests to: District Supervisor Joel Morrows, Interstate Commerce

[1] Except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

Commission, Bureau of Operations, 970 Broad Street, Newark, NJ 07102.

No. MC 51146 (Sub-No. 291 TA), filed September 5, 1972. Applicant: SCHNEIDER TRANSPORT, INC., 2661 South Broadway, Green Bay, WI 54304, Post Office Box 2298, Green Bay, WI 54306. Applicant's representative: Neil Du Jardin (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Glass containers*, from Oil City, Pa., to Oconto and Burlington, Wis., for 180 days. Supporting shipper: National Can Corp., Midway Center, 5959 South Cicero Avenue, Chicago, IL 60638. Send protests to: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 55037 (Sub-No. 11 TA), filed September 6, 1972. Applicant: DEARMIN TRANSFER, INC., Highway 61, Wapello, Iowa 52653. Applicant's representative: Kenneth F. Dudley, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, fabricated and prefabricated trusses, from Burlington, Iowa, to points in the Chicago, Ill., commercial zone, for 180 days. Supporting shipper: Modern Welding Co., Post Office Box 806, Burlington, IA 52611. Send protests to: Transportation Specialist Herbert W. Allen, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 60106 (Sub-No. 3 TA), filed August 29, 1972. Applicant: RICHMOND BEACH FUEL & TRANSFER, INC., Post Office Box 4, Richmond Beach, WA 98160. Applicant's representative: George R. La Bissoniere, 1424 Washington Building, Seattle, Wash. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and advertising matter* when moving in conjunction with full loads of malt beverages, from Seattle, Wash., to Watsonville, Berkeley, San Jose, Santa Cruz, San Francisco, San Carlos, Oakland, Modesto, Napa, Sacramento, Santa Rosa, San Rafael, Eureka, Merced, Stockton, Chico, Pittsburg, Hanford, Navato, and Suisen City, Calif., for 180 days. Supporting shipper: Sicks' Rainier Brewing Co., 3100 Airport Way South, Seattle, WA 98134. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 60122 (Sub-No. 7 TA), filed August 23, 1972. Applicant: JOHN VIANO AND EDWARD VIANO, doing business as VIANO BROTHERS, Harding Highway, Landisville, N.J. 08326. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *malt beverages*, in containers, from the plant facility of F&M Schaefer Brewing Co. at Allentown, Pa. to Landisville, N.J., for 180 days. Supporting shipper: Thomas Fornataro, Inc., Buena Vista Avenue, Landisville, N.J. 08326. Send protests to: District Supervisor Richard M. Regan, Interstate Commerce Commission, Bureau of Operations, 428 East State Street, Room 204, Trenton, NJ 08608.

No. MC 78040 (Sub-No. 7 TA), filed September 6, 1972. Applicant: BOYD TRANSFER COMPANY, a corporation, 4600 East Fayette Street, Baltimore, MD 21224. Applicant's representative: William J. Augello, Jr., 103 Ft. Salonga Road, Northport, NY 11768. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New furniture* from Totowa, N.J. to Baltimore, Md., restricted to the transportation of shipments having an immediately prior movement by rail or motor carrier, for 180 days. Supporting shipper: Mr. Ralph M. Rehbock, Turner Mfg. Co., 2309 South Keeler Avenue, Chicago, IL 60623. Send protests to: District Supervisor William L. Hughes, Interstate Commerce Commission, Bureau of Operations, 814–B Federal Building, Baltimore, Md. 21201.

No. MC 107496 (Sub-No. 861 TA), filed September 5, 1972. Applicant: RUAN TRANSPORT CORPORATION, Third and Keosauqua Way, Post Office Box 855 (50304), Des Moines, IA 50309. Applicant's representative: E. Check (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Liquid feed, liquid feed supplements*, in bulk, from the plantsite of Cargill, Inc., located in Scott County, Iowa, to points in Missouri on and north of Instate Highway 44, in Illinois on and north of Interstate Highway 70, in Wisconsin on and south of Highway 8, and in Minnesota on and south of Highway 12; and (2) molasses, in bulk, from the plantsite of Cargill, Inc., located in Scott County, Iowa, to points in Illinois on and north of Interstate Highway 70 and in Wisconsin on and south of Highway 8, for 150 days. Supporting shipper: Cargill Molasses Department, Commodity Marketing Division, Cargill Inc., Cargill Building, Minneapolis, Minn. 55402. Send protests to: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 111170 (Sub-No. 193 TA), filed August 31, 1972. Applicant: WHEELING PIPE LINE, INC., Post Office Box 1718, 2811 West Avenue, El Dorado, AR 71730. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, from Sterlington, La., to Molybdunem, N. Mex. (located 5 miles east of Questa, N. Mex.), for 180 days. Supporting shipper: Commercial Solvents Corp., Distribution Division, Post Office Box 207, Terre Haute, IN 47808. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 111434 (Sub-No. 84 TA), filed August 30, 1972. Applicant: DON WARD, INC., 241 West 56th Avenue, Denver, CO 80216, Office: Post Office Box 1488, Durango, CO 81301. Applicant's representative: Peter J. Crouse, 1700 Western Federal Building, Denver, Colo. 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Hydrated lime*, in bulk, from Pete Lien & Sons, Inc., plant, 3 miles north of Rapid City, S. Dak., to highway construction sites at or near Monticello, Harley Dome, Cove Fort, Ogden, Brigham City, and Salt Lake City, Utah, and Pocatello, Idaho, for 90 days. Supporting shipper: Pete Lien & Sons, Inc., Post Office Box 3124, Rapid City, SD 57701. Send protests to: District Supervisor Roger L. Buchanan, 2022 Federal Building, 1961 Stout Street, Denver, CO 80202.

No. MC 113828 (Sub-No. 204 TA), filed August 28, 1972. Applicant: O'BOYLE TANK LINES, INCORPORATED, Post Office Box 30006, Washington, DC 20014, Office: 5320 Marinelli Drive, Montrose Industrial Park, Rockville, MD 20852. Applicant's representative: Michael A. Grimm (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Salt cake*, in bulk, from Norfolk, Va., to Franklin, Va., for 180 days. NOTE: This transportation is part through shipment from overseas. Supporting shipper: Leonard J. Buck, Inc., 299 Madison Avenue, Morristown, NJ 07960. Send protests to: Robert D. Caldwell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 12th and Constitution Avenue NW., Washington, DC 20423.

No. MC 115092 (Sub-No. 20 TA), filed August 31, 1972. Applicant: WEISS TRUCKING, INC., Post Office Box O, Vernal, UT 84078. Applicant's representative: E. L. Kier (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ornamental iron and parts therefor, lamp and mailbox posts, and fittings thereof*, and when shipped with any of the foregoing, *cement compound and promotional materials*, from Decatur, Ind., to points in Arizona, Colorado, California, Oregon, Washington, Idaho, Nevada, Utah, New Mexico, and Texas, for 180 days. Supporting shipper: Gilpin, Inc., Box 226, Decatur, IN 46733 (Max Gilpin, vice president). Send protests to: Lyle D. Helfer, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 125 South State Street, Salt Lake City, UT 84111.

No. MC 116077 (Sub-No. 331 TA), filed September 1, 1972. Applicant: ROBERTSON TANK LINES, INC., 2000 West Loop S., Suite 1800, Houston, TX 77027. Applicant's representative: J. C. Brow-Schuster's Express provides any indirect der, Traffic Manager (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes transporting *Melamine*,

in bulk, in tank vehicles from the plantsite of American Cyanamid, Co., Avondale, La., to points in Wallingford, Conn.; Coshocton, Ohio; Odenton, Md.; and Sharonville, Ohio, for 180 days. Supporting shipper: American Cyanamid Co., Post Office Box 10008, New Orleans, LA 70121. Send protests to: District Supervisor John C. Redus, Interestate Commerce Commission, Bureau of Operations, Post Office Box 61212, Houston, TX 77061.

No. MC 116915 (Sub-No. 9 TA), filed September 1, 1972. Applicant: ECK MILLER TRANSPORTATION CORPORATION, Post Office Box 1279, 1125 Sweeney Street, Owensboro, KY 42301. Applicant's representative: Carl U. Hurst, Post Office Box E, Bowling Green, KY 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Telephone equipment, materials, and supplies, including tools* used in the construction and maintenance of telephone systems and communications, between Owensboro, Ky., and points in Breckinridge, Ohio, Daviess, Grayson, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Union, and Webster Counties, Ky., for 180 days. Supporting shipper: J. F. Ballard, Resident, Transportation Manager, Southern Region, Western Electric, 6701 Roswell Road NE., Atlanta, GA 30328. Send protests to: Wayne L. Merilatt, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 426 Post Office Building, Louisville, KY 40202.

No. MC 117119 (Sub-No. 461 TA), filed September 5, 1972. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., Post Office Box 188, Elm Springs, AR 72728. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *Fabricated fireplace logs* from Orange, Va., to points in Illinois, Indiana, Iowa, Michigan, Ohio, and Wisconsin, for 180 days. Supporting shipper: Husky Industries, Inc., 4040 East Louisiana Avenue, Denver, CO 80222. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 117119 (Sub-No. 462 TA), filed September 5, 1972. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., Post Office Box 188, Elm Springs, AR 72728. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in or used by wholesale or retail discount or variety stores, from New York, N.Y., to Bentonville, Ark., for 180 days. Supporting shipper: Wal-Mart Stores, Inc., Post Office Box 116, Bentonville, AR 72712. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 117565 (Sub-No. 67 TA), filed August 28, 1972. Applicant: MOTOR SERVICE COMPANY, INC., Route 3, Post Office Box 448, Coshocton, OH 43812. Applicant's representative: John R. Hafner (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *Trailers* from points in Tuscarawas County, Ohio, to points in Indiana, Kentucky, Maryland, Michigan, Pennsylvania, and West Virginia, for 180 days. Supporting shipper: Skyline Corp., Elkhart, Ind. Send protests to: District Supervisor Frank L. Calvary, Interstate Commerce Commission, Bureau of Operations, 225 Federal Building and U.S. Courthouse, 85 Marconi Boulevard, Columbus, OH 43215.

No. MC 117799 (Sub-No. 40 TA), filed September 5, 1972. Applicant: BEST WAY FROZEN EXPRESS, INC., Room 205, 3033 Excelsior Boulevard, Minneapolis, MN 55416. Applicant's representative: K. O. Petrick (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Foodstuffs;* (2) *pet foods and pet supplies;* (3) *household buffing and polishing compounds;* and (4) *commodities*, the transportation of which are within the partial exemption of section 203(b)(6) of the I.C.A., from the plantsite and warehouse facilities of the R. T. French Co., Springfield, Mo., to points in Illinois, Iowa, Kansas, South Dakota, North Dakota, Minnesota, Nebraska, Wisconsin, Tennessee, Alabama, Mississippi, Louisiana, New Mexico, Texas, Arkansas, Oklahoma, and Missouri, for 180 days. Supporting shipper: The R. T. French Co., Rochester, N.Y. 14609. Send protests to: District Supervisor A. N. Spath, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South Fourth Street, Minneapolis, MN 55401.

No. MC 117799 (Sub-No. 41 TA), filed September 5, 1972. Applicant: BEST WAY FROZEN EXPRESS, INC., Room 205, 3033 Excelsior Boulevard, Minneapolis, MN 55416. Applicant's representative: K. O. Petrick (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Foodstuffs;* (2) *pet foods and pet supplies;* (3) *household buffing and polishing compounds;* and (4) *commodities*, the transportation of which are within the partial exemption of section 203(b)(6) of the I.C.A., from the plantsite and warehouse facilities of the R. T. French Co., Springfield, Mo., to points in Florida. Supporting shipper: The R. T. French Co., Rochester, N.Y. 14609. Send protests to: District Supervisor A. N. Spath, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South Fourth Street, Minneapolis, MN 55401.

No. MC 123233 (Sub-No. 39 TA), filed August 30, 1972. Applicant: PROVOST CARTAGE INC., 7887 Second Avenue, Ville d'Anjou 437, Quebec, Canada. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid asphalt*, in bulk, in tank vehicles, from the Ports of Entry on the international border line between the United States and Canada located at or near Derby Line and Highgate Springs, Vt., to points in Vermont, restricted to traffic originating in Canada, for 180 days. Supporting shipper: L. M. Pike & Son, Inc., Tilton, N.H. 03276. Send protests to: District Supervisor Martin P. Monaghan, Jr., Interstate Commerce Commission, Bureau of Operations, 52 State Street, Room 5, Montpelier, VT 05602.

No. MC 123255 (Sub-No. 26 TA), filed August 29, 1972. Applicant: B & L MOTOR FREIGHT, INC., 140 East Everett Avenue, Newark, OH 43055. Applicant's representative: C. F. Schnee, Jr. (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, from Bensenville, Ill., to points in Ohio, for 180 days. Supporting shipper: Miller Brewing Co., Milwaukee, Wis. Send protests to: District Supervisor Frank L. Calvary, Interstate Commerce Commission, Bureau of Operations, 255 Federal Building and U.S. Courthouse, 85 Marconi Boulevard, Columbus, OH 43215.

No. MC 129615 (Sub-No. 11 TA), filed September 1, 1972. Applicant: AMERICAN INTERNATIONAL DRIVE-AWAY, 2000 West 16th Street, Long Beach, CA 90813. Applicant's representative: E. D. Helmer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Motor homes, campers and recreational vehicles* in driveaway service, between points in Cincinnati, Columbus, Kent, Lima, Lorain, Newark, and Warren, Ohio, on the one hand, and, on the other, points in the United States, for 180 days. Supporting shippers: The Cortez Corp., 777 Stow Street, Kent, OH 44240; Sightseer Corp., subsidiary of PRF Industries, Inc., Mid-Ohio Industrial Park, Post Office Box 2186, Newark, OH 43055. Send protests to: John E. Nance, Officer-in-Charge, Interstate Commerce Commission, Bureau of Operations, Room 7708, Federal Building, 300 North Los Angeles Street, Los Angeles, CA 90012.

No. MC 136989 (Sub-No. 1 TA), filed September 5, 1972. Applicant: R. F. BOX, doing business as, R. F. BOX TRUCKING, 1401 Dartmouth Drive NE., Albuquerque, NM 87106. Applicant's representative: Edwin E. Piper, Jr., 715 Simms Building, Albuquerque, N. Mex. 87101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Floor covering* (except carpeting and rugs), from the plantsite of G.A.F. Corp. at or near Whitehall Township (Allentown), Pa., to points in New Mexico; El Paso County, Tex., Montezuma, La Plata, Archuleta, Conejos, Costilla, and Las Animas Counties, Colo.; (2) *light fixtures*, from the plantsite of Progress Lighting (a division of L.C.A. Corp.), at Philadelphia, Pa., to points in New Mexico; El Paso County, Tex.; Montezuma, La Plata, Archuleta, Conejos, Contilla, and Las Animas Counties, Colo., for the account of New Mexico Supply

Co., Albuquerque, N. Mex.; and (3) *floor covering* (except carpeting and rugs), from the plantsite of G.A.F. Corp. at or near Whitehall Township (Allentown), Pa., to points in Arizona, Nevada, Utah, California, Oregon, and Washington, for the account of Murray B. Marsh Co., Inc., Los Angeles, Calif., for 180 days. Supporting shippers: New Mexico Supply Co., 101 Industrial Avenue NE., Albuquerque, NM 87107; Murray B. Marsh Co., 3730 Union Pacific Avenue, Los Angeles, CA 90023. Send protests to: William R. Murdoch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1106 Federal Office Building, 517 Gold Avenue SW., Albuquerque, NM 87101.

No. MC 138011 TA, filed September 5, 1972. Applicant: TRANS WESTERN TRANSPORT, INC., 901 East Glendale Avenue, Sparks, NV 89431. Applicant's representative: Francis L. Ortman, 1100 Seventeenth Street NW., Washington, DC 20036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, class A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), from Sparks, Nev., to points in California, for 180 days. Supporting shipper: Pacific Freeport Warehouse Co., Post Office Box 607, Sparks, NV 89431. Send protests to: District Supervisor Robert G. Harrison, Bureau of Operations, Interstate Commerce Commission, 203 Federal Building, 705 North Plaza Street, Carson City, NV.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-16130 Filed 9-20-72;8:51 am]

[Notice 126]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 15, 1972.

The following are notices of filing of applications[1] for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR 1131) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 96165 (Sub-No. 13 TA), filed September 6, 1972. Applicant: T. DEL FARNO TRUCKING CO., 10 Ward Avenue, North Providence, RI 02908. Applicant's representative: Frank J. Weiner, 15 Court Square, Boston, MA 02108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Concrete products*, from Kresson, N.J., to Lincoln and Providence, R.I., and Framingham, Weymouth, and Waltham, Mass., for 180 days. Supporting shipper: Duraflex Sales & Service Corp., Post Office Box 303, Lincoln, RI 02865. Send protests to: Gerald H. Curry, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 187 Westminster Street, Providence, RI 02903.

No. MC 103498 (Sub-No. 28 TA), filed September 6, 1972. Applicant: W. D. SMITH TRUCK LINE, INC., Post Office Drawer C, DeQueen, AR 71832. Applicant's representative: Kon T. Jack, Jr., Tower Building, Little Rock, Ark. 72201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Boards*, composed of wood fiber and cement combined and accessories therefor, when moving incidental to and in the same vehicle with subject boards, from plantsite and warehouse of the Gold Bond Building Products, Division of National Gypsum Co. at or near Arkadelphia, Ark., to points in Kansas and Missouri, for 180 days. Supporting shipper: Gold Bond Building Products, Division of National Gypsum Co., 325 Delaware Avenue, Buffalo, NY 14202. Send protests to: District Supervisor William H. Land, Jr., Bureau of Operations, Interstate Commerce Commission, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 111170 (Sub-No. 194 TA), filed September 6, 1972. Applicant: WHEELING PIPE LINE, INC., Post Office Box 1718, 2811 North West Avenue, El Dorado, AR 71730. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lube oil*, in bulk, from Norphlet, Ark., to Norfolk, Va., for 180 days. Supporting shipper: MacMillan Oil Co., Inc., 200 Petroleum Building, El Dorado, Ark. 71730. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 113635 (Sub-No. 4 TA), filed August 30, 1972. Applicant: S & S TRUCKING, INC., Alzada Star Route, Belle Fourche, S. Dak. 57717. Applicant's representative: Gene R. Bushnell, Post Office Box 190, Rapid City, SD 87701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Bulk bentonite;* and (2) *soda ash* (1) between points in South Dakota, North Dakota, Minnesota, Wyoming, and Montana; (2) from points in Sweetwater County, Wyo., to Colony, Crook County, Wyo., via South Dakota Interstate Highways 34 and 212 through Belle Fourche, S. Dak., for 180 days. Supporting shippers: Wyoming Bentonite Operations, Baroid Division, NL Industries, Inc., Colony, Wyo.; International Minerals & Chemical Corp., Post Office Box 460, Belle Fourche, SD 57717. Send protests to: District Supervisor P. A. Naughton, Interstate Commerce Commission, Bureau of Operations, Room 1006, Federal Building and Post Office, 100 East B Street, Casper, WY 82601.

No. MC 115379 (Sub-No. 42 TA), filed August 30, 1972. Applicant: JOHN D. BOHR, INC., Post Office Box 217, Annville, PA 17003. Applicant's representative: Christian V. Graf, 407 North Front Street, Harrisburg, PA 17101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Prepared animal and poultry feed* from the plantsite of the Ralston Purina Co., Hampden Township (Camp Hill), Pa., to points in Delaware, Maryland, New Jersey, Pennsylvania, and New York, for 180 days. Supporting shipper: Ralston Purina Co., 35th and Edgemoor Avenue, Wilmington, Del. 19802. Send protests to: District Supervisor Robert W. Ritenour, Interstate Commerce Commission, Bureau of Operations, 508 Federal Building, Post Office Box 869, Harrisburg, PA 17108.

No. MC 115523 (Sub-No. 170 TA), filed September 6, 1972. Applicant: CLARK TANK LINES COMPANY, 1450 Beck Street, Post Office Box 1895 (84110), Salt Lake City, UT 84116. Applicant's representative: H. D. Stratford (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer and fire retardant compounds*, from Erda, Utah, to points in Oregon, Washington, Idaho, Montana, Wyoming, California, Nevada, Utah, Colorado, Nebraska, Oklahoma, North Dakota, South Dakota, Kansas, Arizona, New Mexico, and Texas, *and return of the above from the destinations described above* to Erda, Utah, for 180 days. Supporting shipper: Micronutrients International, Inc., R.F.D. No. 1, Box 130 D, Tooele, Utah 84074 (D. W. Stoll, Secretary). Send protests to: Lyle D. Helfer, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 5239 Federal Building, 125 South State Street, Salt Lake City, UT 84111.

No. MC 123048 (Sub-No. 227 TA), filed August 31, 1972. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., 1919 Hamilton Avenue, Racine, WI 53403. Applicant's representative: Carl S. Pope (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes,

[1] Except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

transporting: (1) *Tractors;* (2) *equipment* designed for use in conjunction with tractors; (3) *attachments* for the above described commodities; and (4) *parts of the above-described commodities,* from Fargo, N. Dak., to points in the United States (except Alaska and Hawaii), for 180 days. Supporting shipper: Steiger Tractor, Inc., 210 North 27th Street, Fargo, ND 58102 (Alan G. Priebe, Traffic Manager). Send protests to: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 124688 (Sub-No. 10 TA), filed September 6, 1972. Applicant: INDEPENDENT DELIVERY, INC., 1000 South Weller Street, Seattle, WA 98104. Applicant's representative: John M. Delany (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: (1) *Printed and unused checks, deposit slips, withdrawal forms, loan application forms, general ledger forms, and audit and accounting media,* between Portland, Oreg., and Centralia, Enumclaw, and Seattle, Wash.; and (2) *radiopharmaceuticals, radioactive drugs, medical isotopes and medical kits,* between points in Oregon and Washington, on the one hand, and, on the other, points in Oregon and Washington, on traffic having an immediately prior or subsequent movement by air, for 180 days. Supporting shippers: Bank Check Supply Co., Post Office Box 24307, Seattle, WA 98124; Abbott Laboratories, Radio-Pharmaceutical Products Division, Abbott Park, North Chicago, Ill. 60064; Mallinckrodt/Nuclear, Box 10172 Lambert Field, St. Louis, MO 63145. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 125952 (Sub-No. 17 TA), filed August 30, 1972. Applicant: INTERSTATE DISTRIBUTOR CO., 8311 Durango Street SW., Tacoma, WA 98499. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Cake and cookies,* from Oakland, Calif., to Salt Lake City, Utah, and Denver and Colorado Springs, Colo., for 180 days. Supporting shipper: Mother's Cake and Cookies Co., 810 81st Avenue, Oakland, CA 94621. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 126739 (Sub-No. 9 TA), filed September 5, 1972. Applicant: MAHNENSMITH TRUCKING SERVICE, INC., Post Office Box 395, Office: 130 East Main Street, Van Buren, IN 46991. Applicant's representative: W. Meredith Peff (same address as above). Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Popcorn, popcorn and popping oil and salt, popcorn oil and salt, tin and/or fibre cans, KD corr boxes, polyethlene film, paper bags, burlap bags, and machinery* used in packing and processing popcorn, from Van Buren, Ind., to points in Georgia, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Maine, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin, and on return movement *popcorn, popping oil and salt, tin and/or fibre cans, KD corr boxes, polyethlene film, paper and burlap bags and machinery* used in processing and packaging popcorn, for 180 days. Supporting shipper: Weaver Popcorn Co., Inc., Van Buren, Ind. 46991. Send protests to: District Supervisor J. H. Gray, Bureau of Operations, Interstate Commerce Commission, 345 West Wayne Street, Room 204, Fort Wayne, IN 46802.

No. MC 128273 (Sub-No. 132 TA), filed August 30, 1972. Applicant: MIDWESTERN EXPRESS, INC., Post Office Box 189, 121 Humboldt Street, Fort Scott, KS 66701. Applicant's representative: Harry Ross (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Paper and paper products,* (1) from Champion International Corp. at or near Hamilton and Piqua, Ohio, to points in Kansas City, Mo., commercial zone and points in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Montana, Wyoming, Colorado, New Mexico, Idaho, Arizona, and Nevada; and (2) from Waynesville, Asheville, and Canton, N.C., Courtland, Ala., and Houston, Tex., to points in Kansas City, Mo., commercial zone and points in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Arizona, Washington, Oregon, Nevada and California, for 180 days. Supporting shipper: Champion International Corp., formerly U.S. Plywood-Champion Papers, Inc., Hamilton, Ohio. Send protests to: M. E. Taylor, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 501 Petroleum Building, Wichita, Kans. 67202.

No. MC 129516 (Sub-No. 9 TA), filed September 6, 1972. Applicant: PATTONS, INC., 2300 Canyon Road, Ellensburg, WA 98926. Applicant's representative: James T. Johnson, 1610 IBM Building, 1200 Fifth Avenue, Seattle, WA 98101. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Bananas and agricultural commodities* otherwise exempt from economic regulation under section 203(b)(6) of the Interstate Commerce Act, when moving in mixed shipments with bananas, from Seattle and Tacoma, Wash., and California to ports of entry on the United States-Canada boundary line at or near Raymond, Mont., and Portland and Pembina, N. Dak., for 180 days. Supporting shipper: Scott National Co., Ltd., Post Office Box 970, Calgary, AB, Canada. Send protests to: District Supervisor W. J. Huetig, Interstate Commerce Commission, Bureau of Operations, 450 Multnomah Building, 319 Southwest Pine Street, Portland, OR 97204.

No. MC 134323 (Sub-No. 28 TA), filed August 31, 1972. Applicant: JAY LINES, INC., 720 North Grand Street, Amarillo, TX 79107, Post Office Box 4146, Amarillo, TX 79105. Applicant's representative: Jay Trammell (same address as above). Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: (1) *Household appliances,* (2) *furnaces,* (3) *air cleaners and conditioners,* (4) *humidifiers,* (5) *dehumidifiers,* and, (6) *related items;* except those which, because of size and weight, require the use of special equipment, from the plantsite of the Fedders Corp., Effingham, Ill., to points in Alabama, Arkansas, Colorado, Florida, Georgia, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, and Texas, for 180 days. Supporting shipper: Robert C. McArthur, General Traffic Manager, Fedders Corp., Edison, N.J. 08817. Send protests to: District Supervisor Haskell E. Ballard, Interstate Commerce Commission, Bureau of Operations, Box H–4395 Herring Plaza, Amarillo, Tex. 79101.

No. MC 134323 (Sub-No. 29 TA), filed August 31, 1972. Applicant: JAY LINES, INC., 720 North Grand Street, Post Office Box 4146 (79105), Amarillo, TX 79107. Applicant's representative: Jay Trammell (same address as above). Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Meat, meat products, and meat byproducts, and articles distributed by meat packinghouses,* as described in sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates,* 61 M.C.C. 209 and 766, from the storage facilities utilized by Missouri Beef Packers, Inc., at or near Lubbock, Tex., to points in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, West Virginia, Wisconsin, and the District of Columbia, and Virginia, for 180 days. Supporting shipper: Norman L. Cummins, Vice President, Missouri Beef Packers, Inc., 630 Amarillo Building, Amarillo, Tex. 79101. Send protests to: Haskell E. Ballard, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Box H–4395 Herring Plaza, Amarillo, TX 79101.

No. MC 134755 (Sub-No. 7 TA), filed August 31, 1972. Applicant: SPECIALTY TRANSPORT, INC., 135 State Street, Suite 200, Springfield, MA 01103. Applicant's representative: David Marshall (same address as above). Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Paper, paper products, and paper articles,* between Palmer, Thorndike, Bondsville, and Ludlow, Mass., on the one hand, and, on the other, points in

New York (except Mount Vernon, Beacon, Albany, New York City, Nassau, and Suffolk Counties), Pennsylvania (except points in Philadelphia, Delaware, Chester, Montgomery, and Bucks Counties), Ohio, Maryland, Delaware, and the District of Columbia, under a continuing contract with Diamond International Corp., for 180 days. Supporting shipper: Diamond International Corp., 733 Third Avenue, New York, NY 10017. Send protests to: District Supervisor Joseph W. Balin, Bureau of Operations, Interstate Commerce Commission, 338 Federal Building and U.S. Courthouse, 436 Dwight Street, Springfield, MA 01103.

No. MC 135007 (Sub-No. 15 TA), filed September 6, 1972. Applicant: AMERICAN TRANSPORT, INC., Post Office Box 37406, Millard, NE 68137. Applicant's representative: Charles J. Kimball, 2310 Colorado State Bank Building, Denver, Colo. 80202. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Carpeting and rugs*, from points in Dillon County, S.C., Laurens County, Ga., Washington County, Miss., to points in Minnesota, Iowa, Missouri, Arkansas, Louisiana, and all States west thereof, under contract with William Volker & Co., for 180 days. Supporting shipper: William Volker & Co., 945 California Drive, Burlingame, CA. Send protests to: Carroll Russell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 711 Federal Office Building, 106 South 15 Street, Omaha, NE 68102.

No. MC 136040 (Sub-No. 1 TA), filed September 6, 1972. Applicant: ETHEL DOLIN, doing business as DOLIN'S TRUCKING, Route 2, No. 8 Nova Place, Charleston, WV 25314. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Flake petroleum pitch*, in bulk, in dump vehicles, from the plantsite of the Ashland Oil and Refining Co. at Leech, Ky., to the plantsite of the Union Carbide Corp. Technical Center at South Charleston, W. Va., for 180 days. Supporting shipper: Union Carbide Corp., Post Office Box 8361, South Charleston, W. Va. 25303. Send protests to: District Supervisor H. R. White, Interstate Commerce Commission, Bureau of Operations, 3108 Federal Office Building, 500 Quarrier Street, Charleston, WV 25301.

No. MC 136445 (Sub-No. 2 TA), filed August 31, 1972. Applicant: ZENITH TRANSPORT LTD., 2040 Alpha Avenue, Burnaby 2, BC Canada. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods and fresh fruits and vegetables* when moving with frozen foods, from points in Oregon, Washington, and California to United States-Canada boundary line at or near Blaine, Wash., restricted to traffic moving to warehouse storage or customer facilities of Woodward's Stores (Vancouver) Ltd., for 180 days. Supporting shipper: Woodward's Stores (Vancouver) Ltd., 101 West Hastings Street, Vancouver 3, British Columbia. Send protests to: District Supervisor E. J. Casey, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 136863 TA (Correction), filed July 7, 1972, published in the FEDERAL REGISTER issue of July 28, 1972, corrected and republished in part as corrected this issue. Applicant: J.C.P. ENTERPRISES, INC., 110 Rector Street, Staten Island, NY 10310. Applicant's representative: Morton E. Kiel, 140 Cedar Street, New York, NY 10006. NOTE: The purpose of this partial republication is to include the territorial description of Bartonsville, Bethlehem, Camp Hill, Kutztown, Lancaster, Philadephia, Pittsburgh, S. Canaan, Tinicum, Uniontown, Unionville, Weatherly, West Chester, and York, Pa., Alexandria, Norfolk, and Richmond, Va., which were inadvertently omitted in the previous publication. The rest of the application remains the same.

No. MC 136944 (Sub-No. 2 TA), filed August 31, 1972. Applicant: STANLEY E. MARSH, R.F.D. 3, Mt. Vernon, Mo. 65712. Applicant's representative: Turner White, 805 Woodruff Building, Springfield, Mo. 65806. Authority sought to operate as a *contract carrier*, by motor vehicle, over iregular routes, transporting: *Alcoholic beverages*, except in bulk, from Peoria, Pekin, Lemont, and Plainfield, Ill., and St. Louis, Mo., to Oklahoma City, Okla., for 180 days. Supporting shipper: C & C Wholesale Liquor Co., 2 Northwest 11th Street, Oklahoma City, OK. Send protests to: District Supervisor John V. Barry, Interstate Commerce Commission, Bureau of Operations, 1100 Federal Office Building, 911 Walnut Street, Kansas City, MO 64106.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16131 Filed 9-20-72;8:51 am]

Office of Proceedings

[Notice No. 76]

MOTOR CARRIER, BROKER, WATER CARRIER, AND FREIGHT FORWARDER APPLICATIONS

SEPTEMBER 15, 1972.

The following applications (except as otherwise specifically noted, each applicant (on applications filed after March 27, 1972) states that there will be no significant effect on the quality of the human environment resulting from approval of its application), are governed by Special Rule 1100.247 [1] of the Commission's general rules of practice(49 CFR as amended), published in the FEDERAL REGISTER issue of April 20, 1966, effective May 20, 1966. These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after date of notice of filing of the application is published in the FEDERAL REGISTER. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with section 247(d)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one (1) copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if no representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of section 247(d)(4) of the special rules, and shall include the certification required therein.

Section 247(f) of the Commission's rules of practice further provides that each applicant shall, if protests to its application have been filed, and within 60 days of the date of this publication, notify the Commission in writing (1) that it is ready to proceed and prosecute the application, or (2) that it wishes to withdraw the application, failure in which the application will be dismissed by the Commission.

Further processing steps (whether modified procedure, oral hearing, or other procedures) will be determined generally in accordance with the Commission's general policy statement concerning motor carrier licensing procedures, published in the FEDERAL REGISTER issue of May 3, 1966. This assignment will be by Commission order which will be served on each party of record. Broadening amendments will not be accepted after the date of this publication except for good cause shown, and restrictive amendments will not be entertained following publication in the FEDERAL REGISTER of a notice that the proceeding has been assigned for oral hearing.

No. MC 2229 (Sub-No. 170) (Correction), filed August 11, 1972, published in the FEDERAL REGISTER issue of September 8, 1972, and republished in part as corrected this issue. Applicant: RED BALL MOTOR FREIGHT, INC., 3177

[1] Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

[1] Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

Irving Boulevard (Post Office Box 47407), Dallas, TX 75247. Applicant's representative: Douglas Anderson (same address as applicant). NOTE: The sole purpose of this partial republication is to reflect Sub-No. 170, in lieu of Sub-No. 107 as was erroneously shown in the previous publication. The rest of the application remains as previously published.

No. MC 2253 (Sub-No. 56), filed August 21, 1972. Applicant: CAROLINA FREIGHT CARRIERS CORPORATION, N.C. Highway 150 East, Cherryville, N.C. 28021. Applicant's representative: W. C. Mauldin, Post Office Box 697, Cherryville, NC 28021. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), to serve Wayland, N.Y., as an intermediate point in connection with applicant's authorized regular route between Charlotte, N.C., and Rochester, N.Y., for the purposes of joinder only. NOTE: If a hearing is deemed necessary, applicant requests it be held at Charlotte, N.C., or Washington, D.C.

No. MC 5623 (Sub-No. 19), filed August 18, 1972. Applicant: ARROW TRUCKING CO., a corporation, 3131 North Lewis, Post Office Box 6027, Tulsa, OK 74106. Applicant's representative: Lawrence A. Winkle, 4645 North Central Expressway, Dallas, TX 75205. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Electrical and mechanical antipollution systems and parts* (except as are used in automobiles), from Warren, Ohio, to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Chicago, Ill.

No. MC 5623 (Sub-No. 20), filed August 18, 1972. Applicant: ARROW TRUCKING CO., a corporation, 3131 North Lewis, Post Office Box 6027, Tulsa, OK 74106. Applicant's representative: Lawrence A. Winkle, 4645 North Central Expressway, Dallas, TX 75205. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pipe and tube, iron or steel*, from the plantsite of Tex-Tube Division of Detroit Steel Corp., at Houston, Tex., to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex., or Columbus, Ohio.

No. MC 10223 (Sub-No. 3), filed March 9, 1972. Applicant: ROBERT E. MACK, CARL BROWN, SOPHIE R. MACK, ESTELLE M. FUNK, AND THERESA R. MOLLOY, a partnership, doing business as MACK TRANSPORTATION COMPANY, 4330 Torresdale Avenue, Philadelphia, PA 19124. Applicant's representative: John W. Frame, Box 626, 2207 Gettysburg Road, Camp Hill, PA 17011. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Radios, televisions, phonographs, tape recorders, advertising materials, household appliances, and related accessories therefor* when moving in connection therewith, between King of Prussia, Pa., on the one hand, and, on the other, points in New Jersey, Delaware, and Maryland (except Baltimore, Md.); (2) *Such commodities* as are dealt in by chain retail and mail-order department stores from Philadelphia, Pa., to points within 35 miles of Philadelphia, in New Jersey (except Camden), and in Delaware (except Wilmington); (3) *plumbing and heating supplies*, from Philadelphia, Pa., to points in Maryland (except Baltimore), those in Delaware (except Wilmington), and those in Sussex, Warren, Hunterdon, Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, Cape May, and Atlantic Counties, N.J. (except Atlantic City and Camden); (4) *such commodities* as are deals in by chain retail and mail-order department stores from Tullytown, Pa., to points in New Jersey within 35 miles of Tullytown, with no transportation for compensation on return except as otherwise authorized; (5) *general commodities*, except those of unusual value, and except dangerous explosives, household goods as defined in Practices of Motor Common Carriers of Household Goods, 17 M.C.C. 467, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading, between Philadelphia, Pa., and Camden, N.J., on the one hand, and, on the other, points in the New York, N.Y., commercial zone as defined by the Commission in 1 M.C.C. 665, and those in New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia; and (6) *Coal Tar Products*, in bulk, in tank vehicles, from Philadelphia, Pa., to points in Connecticut, and to points in New York (except those in the New York, N.Y., commercial zone as defined by the Commission). NOTE: Applicant states it holds the above-authority as a contract carrier under Permit MC-105809 and various subs, and the purpose of this application is to convert its contract carrier authority to common carrier authority. Applicant further states that the requested authority can be tacked with its existing authority at Philadelphia, Pa. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., Philadelphia or Harrisburg, Pa.

No. MC 13123 (Sub-No. 67), filed August 30, 1972. Applicant: WILSON FREIGHT COMPANY, a corporation, 3636 Follett Avenue, Cincinnati, OH 45223. Applicant's representative: Milton H. Bortz (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flat glass and glazing units*, from the plantsite and warehouse facilities of Libbey-Owens-Ford Co., and its subsidiaries, at Clinton and Laurinburg, N.C., to points in Arkansas, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan (except those points located in the Upper Peninsula of Michigan), Missouri, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 14702 (Sub-No. 42), filed August 21, 1972. Applicant: OHIO FAST FREIGHT, INC., 3893 Market Street NE., Warren, OH 44484. Applicant's representative: Paul F. Beery, 88 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Aluminum and aluminum products, and equipment, materials and supplies used in manufacturing and processing of aluminum and aluminum products* (except commodities in bulk), between points in Hancock County, Ky., on the one hand, and, on the other, points in Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Alabama, Tennessee, North Carolina, Florida, Georgia, and Kansas, restricted to transportation of traffic originating at or destined to the above named origins or destinations. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 14702 (Sub-No. 43), filed August 21, 1972. Applicant: OHIO FAST FREIGHT, INC., Post Office Box 808, Warren, OH 44482. Applicant's representative: Paul F. Beery, 88 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Aluminum and aluminum articles, and equipment, materials and supplies used in the manufacturing and processing of aluminum and aluminum articles* (except commodities in bulk), between Murrysville, Pa., on the one hand, and, on the other, points in Illinois, Indiana, Iowa, Maryland, Michigan, Missouri, New Jersey, New York, South Dakota, Tennessee, Virginia, Kansas, Minnesota, Nebraska, Wisconsin, Mississippi, and Louisiana, restricted to transportation of traffic originating at or destined to the above named origins or destinations. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 17051 (Sub-No. 7), filed August 8, 1972. Applicant: BARNET'S EXPRESS, INC., 758 Lidgerwood Avenue, Elizabeth, NJ 07202. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel, equipment materials, and supplies* used or useful in the manufacture and sale of wearing apparel, between Carteret, Perth

Ambody, and Newark, N.J.; Johnstown and New York, N.Y.; and Athens, Tenn. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y. or Newark, N.J.

No. MC 29910 (Sub-No. 123), filed August 18, 1972. Applicant: ARKANSAS-BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Fort Smith, AR 72901. Applicant's representative: Thomas Harper, Post Office Box 43, Kelley Building, Fort Smith, AR 72901. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Paper, paper products, woodpulp, and supplies* used in the manufacture of paper, paper products, and woodpulp, except commodities in bulk, in tank vehicles, between the plantsite and warehouse facilities of International Paper Co. known as Texarkana Mill, located 5 miles east of U.S. Highway 59, on the one hand, and, on the other, points in Illinois, Indiana, and Ohio. NOTE: Applicant states that the requested authority can be tacked with its existing authority under MC 29910. Applicant further states that no duplicating authority is being sought. If a hearing is deemed necessary, applicant requests it be held at New Orleans, La., or Dallas, Tex.

No. MC 34087 (Sub-No. 4), filed August 28, 1972. Applicant: NORMAN HILLS, McAllister Road, Fredonia, N.Y. 14063. Applicant's representative: Raymond A. Richards, 44 North Avenue, Webster, NY 14580. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Flour, feed, and grain products*, from Buffalo, N.Y., to points in Butler, Allegheny, Greene, Washington, and Westmoreland Counties, Pa., under contract with Peavey Co. Flour Mills, Buffalo, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y.

No. MC 43654 (Sub-No. 81), filed August 8, 1972. Applicant: DIXIE OHIO EXPRESS, INC., 237 Fountain Street, Akron, OH 44309. Applicant's representative: Rex Eames, 900 Guardian Building, Detroit, MI 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk and those requiring special equipment because of size or weight), between Lexington, Ky., and Mount Sterling, Ky., (1) from Lexington, Ky., over U.S. Highway 60 to Mount Sterling, Ky., and return over the same route, serving all intermediate points; and (2) from Lexington, Ky., over Interstate Highway 64 to Mount Sterling, Ky., serving all intermediate points. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Lexington or Louisville, Ky.

No. MC 51146 (Sub-No. 289), filed August 16, 1972. Applicant: SCHNEIDER TRANSPORT, INC., 2661 South Broadway, Green Bay, WI 54304. Applicant's representative: Neil DuJardin, Post Office Box 2298, Green Bay, WI 54306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic containers*, from Los Angeles, Calif., to points in Texas. NOTE: Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. No duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 52022 (Sub-No. 6), filed August 17, 1972. Applicant: SANTINI BROTHERS, INC., 1405 Jerome Avenue, New York, NY 10452. Applicant's representative: Bernard C. Pestcoe, 511 Biscayne Building, 19 West Flager Street, Miami, FL 33130. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods* as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, between points in Florida, Georgia, and Alabama. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. Applicant also states the purpose of this application is to eliminate the gateway of Perry, Fla., and to avoid circuitous routing through New York City. If a hearing is deemed necessary, applicant requests it be held at Tallahassee, Fla.

No. MC 59150 (Sub-No. 68), filed August 28, 1972. Applicant: PLOOF TRANSFER COMPANY, INC., 1901 Hill Street, Jacksonville, FL 32202. Applicant's representative: Martin Sack, Jr., 1754 Gulf Life Tower, Jacksonville, Fla. 32207. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Copper wire* and *cable*, insulated or plain, from the plantsite of Essex International, Inc., at Chester, S.C., to points in Alabama, Florida, Georgia, Louisiana, and Mississippi. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga., or Washington, D.C.

No. MC 59354 (Sub-No. 14), filed August 28, 1972. Applicant: G. R. PITMAN TRUCKING CO., INC., Hillsboro, Ind. 67949. Applicant's representative: Kenneth F. Dudley, 611 Church Street, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Iron and steel articles*, from the plantsite and warehouse facilities of Keystone Steel & Wire Co., at or near Chicago Heights, Ill., to points in Arkansas, Colorado, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania on and west of U.S. Highway 219, South Dakota, Texas, West Virginia, and Wisconsin, restricted to traffic originating at the plantsite and warehouse facilities of Keystone Steel & Wire Co., at or near Chicago Heights, Ill., and (2) *Materials, equipment, and supplies* used in the manufacture, processing, sale, and distribution of iron and steel articles, from points in Arkansas, Colorado, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, on and west of U.S. Highway 219, South Dakota, Texas, West Virginia, and Wisconsin to the plantsites and warehouse facilities of Keystone Steel & Wire Co., located at or near Chicago Heights and Peoria, Ill., restricted to traffic destined to the plantsites and warehouse facilities of Keystone Steel & Wire Co., at or near Chicago and Peoria, Ill., under contract with Keystone Steel & Wire Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill

No. MC 61825 (Sub-No. 53), filed August 17, 1972. Applicant: ROY STONE TRANSFER CORPORATION, V. C. Drive, Collinsville, Va. 24078. Applicant's representative: George S. Hales, Post Office Box 285, Collinsville, VA 24078. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pads and padding*, from Delanco, N.J., to points in Georgia, Tennessee, and Virginia. NOTE: Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. No duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 66900 (Sub-No. 41), filed August 18, 1972. Applicant: HOUFF TRANSFER, INCORPORATED, Post Office Box 91, Weyers Cave, VA 24486. Applicant's representative: Harold G. Hernly, 2030 North Adams Street, Suite 510, Arlington, VA 22201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flat glass and glass glazing units*, from Clinton, N.C., and Laurinburg, N.C., to points in Virginia, Delaware, Maryland, Pennsylvania, Ohio, Kentucky, West Virginia, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority.

If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 69116 (Sub-No. 146), filed August 21, 1972. Applicant: SPECTOR FREIGHT SYSTEM, INC., 205 West Wacker Drive, Chicago, IL 60606. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Building and roofing slabs, tile, panels and materials, and supplies* used in the installation thereof, except commodities in bulk, from the plantsite of Fireproof Products, Inc., at Cornell, Wis., to points in Illinois, Indiana, Kentucky, Michigan, New York, Ohio, Pennsylvania, West Virginia, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont. NOTE: Applicant states that tacking possibilities exist with its regular authority. However, applicant has no present intention to tack. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 71164 (Sub-No. 4), filed August 21, 1972. Applicant: LAND-SEA-AIR SERVICE, INC., 166 Northern Avenue, Boston, MA 02210. Applicant's representative: Frederick T. O'Sullivan, 622 Lowell Street, Peabody, MA 01960. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Commodities* requiring refrigeration (except commodities in bulk, in tank vehicles, in hopper-type vehicles), (1) between points in Florida on the one hand, and, on the other, points in Massachusetts; and (2) from points in Iowa to points in Massachusetts. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass.

No. MC 74647 (Sub-No. 15), filed August 10, 1972. Applicant: P. SALVINO TRANSPORT, INC., 6615 Corson Avenue South, Seattle, WA 98108. Applicant's representative: Joseph O. Earp, 411 Lyon Building, 607 Third Avenue, Seattle, WA 98104. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular roultes, transporting: *Lignin pitch, dry, and woodpulp*, from Bellingham, Wash., to Seattle and Tacoma, Wash., on traffic having a prior or subsequent out-of-State movement, under contract with Georgia-Pacific Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 85934 (Sub-No. 64), filed August 2, 1972. Applicant: MICHIGAN TRANSPORTATION COMPANY, a corporation, 3601 Wyoming, Dearborn, MI 48120. Applicant's representative: Robert A. Sullivan, 1800 Buhl Building, Detroit, Mich. 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry chemicals*, from Bay City and Midland, Mich., to points in the United States (except Illinois, Indiana, Iowa, Kansas, Kentucky, Nebraska, Pennsylvania, and Wisconsin). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 88300 (Sub-No. 30), filed August 21, 1972. Applicant: DIXIE TRANSPORT COMPANY, a corporation, Post Office Box 395, Chicago Heights, IL 60411. Applicant's representative: Charles W. Singer, 2440 East Commercial Boulevard, Fort Lauderdale, FL 33308. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Motor vehicles* between points in North Carolina, South Carolina, Maryland, Virginia, West Virginia, Georgia, Alabama, Mississippi, Florida, and the District of Columbia. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no *present* intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. Applicant indicates he does not seek duplicate authority. If a hearing is deemed necessary, applicant requests it be held at Jacksonville, Fla.

No. MC 99685 (Sub-No. 2), filed June 20, 1972. Applicant: G. I. TRUCKING COMPANY, a corporation, 14727 Alondra Boulevard, La Mirada, CA 90638. Applicant's representative: Donald Murchison, 9454 Wilshire Boulevard, Suite 400, Beverly Hills, CA 90212. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, Part I between: (1) All points within the territory more particularly delineated in Part II attached hereto. (2) Points in that territory, on the one hand, and (a) Oceanside and Chula Vista and intermediate points on U.S. Highway No. 101 between said territory and Chula Vista, and San Diego and El Cajon and intermediate points on U.S. Highway No. 80, on the other hand. (b) All points and places located on U.S. Highway No. 101 to Santa Maria, including Santa Maria, and including also points located laterally within 10 miles on either side of said U.S. Highway No. 101 to Santa Maria, on the other hand, provided that no service shall be rendered to or from Saticoy. (c) All points on State Highway No. 1 between Lompoc and Santa Maria, inclusive, including points laterally within 10 miles on either side of said State Highway No. 1 between Lompoc and Santa Maria, and including all points within a radius of 10 miles of Lompoc. (d) All points between Ventura and San Fernando inclusive, via State Highway No. 126 and U.S. Highway No. 99, including points within 10 miles laterally on either side of State Highway No. 126 and U.S. Highway No. 99 between Ventura and San Fernando, provided that no service shall be rendered to or from Saticoy or Castaic. (e) All points between Ventura and San Fernando, inclusive, via State Highway No. 118, including points within 10 miles laterally of said State Highway No. 118 between Ventura and San Fernando, including all points within a 10-mile radius of San Fernando, provided that no service shall be rendered to or from Saticoy. (f) All points between San Diego and Riverside, inclusive, via U.S. Highway No. 395, including points within 10 miles on either side of said highway between Riverside and San Diego. The authority hereinabove set forth in paragraph (2) does not include the right to render service, to, from, or between intermediate points except those specifically authorized.

Restriction: Applicant shall not transport any shipments of: (1) Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of Item No. 10–C of Minimum Rate Tariff No. 4–A. (2) Automobiles, trucks, and buses, viz: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses, bus chassis. (3) Livestock, viz: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags, or swine. (4) Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerated equipment. (5) Liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles. (6) Commodities when transported in bulk in dump trucks or in hopper-type trucks. (7) Commodities when transported in motor vehicles equipped for mechanical mixing in transit.

Part II(g) Beginning at the point where State Highway No. 118 intersects with State Highway No. 27; easterly and northeasterly along State Highway No. 118 to State Highway No. 7; northerly along State Highway No. 7 to Rinaldi Street, easterly on Rinaldi Street and Workman Street; westerly and northerly along the boundary of the city of San Fernando and its prolongation to the boundary of the Angeles National Forest; easterly and southerly along the boundary of the Angeles National Forest to U.S. Highway No. 395; southerly along U.S. Highway No. 395 to U.S. Highway No. 99; easterly along U.S. Highway No. 99 to and including the city of Redlands; southeasterly along an imaginary line to the intersection of U.S. Highways Nos. 60 and 395; southerly on U.S. Highway No. 395 to Cajalco Drive; westerly on Cajalco Drive to Mockingbird Canyon Road; northerly on Mockingbird Canyon Road and Van Buren Street to State Highway No. 18; southerly and westerly along State Highway No. 18 and U.S.

Highway No. 91 to State Highway No. 55; southerly along State Highway No. 55 to and including Balboa; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of U.S. Highway No. 101 Alternate and State Highway No. 27; thence northerly along State Highway No. 27 to the point of beginning. (2) Between San Diego, Calif., on the one hand, and, on the other, the port of entry on the United States-Mexico boundary line in the San Ysidro area of the corporate limits of San Diego in foreign commerce only. NOTE: The primary purpose of this application is the request for authority to cross the California-Mexican border in the San Ysidro area of San Diego. The instant application seeks to convert the certificate of registration of applicant to a certificate of public convenience and necessity. Applicant states that no new or additional territory is sought within the continental boundaries of the United States. If a hearing is deemed necessary, applicant requests it be held at San Diego, Calif.

No. MC 101940 (Sub-No. 5), filed August 25, 1972. Applicant: WHALENS, INC., 102 North Sixth Street, Grand Forks, ND 58201. Applicant's representative: Alan F. Wohlstetter, 1700 K Street NW., Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, between points in Grand Forks, Walsh, Traill, Steele, Griggs, Nelson, Pembina, Cavalier, Ramsey, Eddy, and Foster Counties, N. Dak., and Polk, Marshall, Norman, Pennington, Kittson, Roseau, Red Lake, and Clearwater Counties, Minn., restricted to the transportation of traffic having a prior or subsequent movement, in containers, and further restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization or unpacking, uncrating, and decontainerization of such traffic. NOTE: If a hearing is deemed necessary, applicant requests it be held at Grand Forks, N. Dak.

No. MC 109478 (Sub-No. 124), filed August 21, 1972. Applicant: WORSTER MOTOR LINES, INC., Gay Road, North East, Pa. 16428. Applicant's representative: Joseph F. MacKrell, 23 West 10th Street, Erie, PA 16501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods and foodstuffs requiring refrigeration, including packing house products*, (1) between points in Erie County, Pa.; and (2) from the Port of Erie, in Erie, Pa., to points in New York, Pennsylvania, Ohio, Indiana, and Michigan. NOTE: Applicant states that the requested authority can be tacked at points in Pennsylvania and New York to serve other points in its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or New York, N.Y.

No. MC 110988 (Sub-No. 286), filed August 18, 1972. Applicant: SCHNEIDER TANK LINES, INC., 200 West Cecil Street, Neenah, WI 54956. Applicant's representative: E. Stephen Heisley, 666 11th Street NW., Washington, DC 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from Dallas, Tex., to points in Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex., or Washington, D.C.

No. MC 111594 (Sub-No. 55), filed August 17, 1972. Applicant: C W TRANSPORT, INC., 610 High Street, Wisconsin Rapids, WI 54494. Applicant's representative: Carl E. Steiner, 39 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the plant and storage facilities of Preferred Products, Inc., in Carver County, Minn., as an off-route point, in connection with carrier's authorized regular route operations, to and from the St. Paul-Minneapolis, Minn., commercial zone. NOTE: If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 112963 (Sub-No. 29), filed August 10, 1972. Applicant: ROY BROS., INC., 764 Boston Road, Pinehurst, MA 01866. Applicant's representative: Leonard E. Murphy (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Di-calcium phosphate*, dry, in bulk, in tank vehicles, from Peabody, Mass., to points in Maine, New Hampshire, and Vermont. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass. or New York, N.Y.

No. MC 113658 (Sub-No. 5), filed August 17, 1972. Applicant: SCOTT TRUCK LINE, INC., 2950 Blake Street, Denver, CO 80205. Applicant's representative: Charles J. Kimball, 2310 Colorado State Bank Building, 1600 Broadway, Denver, CO 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from the plantsite and storage facilities utilized by Kitchens of Sara Lee, Inc., at or near New Hampton, Iowa, to points in New York, Pennsylvania, Connecticut, Massachusetts, New Jersey, Maryland, Virginia, West Virginia, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Omaha, Nebr.

No. MC 113678 (Sub-No. 465), filed August 17, 1972. Applicant: CURTIS, INC., 4810 Pontiac, Commerce City, CO 80022. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Ames, Iowa, to points in Arizona, California, Colorado, Idaho, Kansas, Nebraska, Nevada, North Dakota, New Mexico, Oregon, South Dakota, Utah, Montana, Washington, and Wyoming. NOTE: Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the applicant may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Denver, Colo.; Omaha, Nebr.; or Des Moines, Iowa.

No. MC 113843 (Sub-No. 187), filed August 21, 1972. Applicant: REFRIGERATED FOOD EXPRESS, INC., 316 Summer Street, Boston, MA 02210. Applicant's representative: William J. Boyd, 29 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products and meat byproducts and articles distributed by meat packinghouses* as described in Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Grand Island, Nebr., to points in Maine, Massachusetts, Vermont, New Hampshire, Connecticut, and Rhode Island, restricted to the transportation of traffic originating at the site and storage facilities of Swift & Co., located at Grand Island, Nebr., and destined to the named States. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Boston, Mass.

No. MC 114533 (Sub-No. 260), filed June 30, 1972. Applicant: BANKERS DISPATCH CORPORATION, 4970 South Archer Avenue, Chicago, IL 60632. Applicant's representative: Arnold Burke, Suite 1133, 127 North Dearborn, Chicago, IL 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Laboratory specimens and reports*, between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble,

Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; (2) *microbiological supplies* used by hospitals and clinics, between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble, Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; (3) *exposed and processed film and prints, complimentary replacement film and incidental dealer handling supplies* (except motion picture films and materials and supplies used in connection with commercial and television motion pictures), *cameras and projectors*, between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble, Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; and

(4) Restorative dentistry products, (a) between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble, Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; (b) between Topeka, Kans., on the one hand, and, on the other, points in Texas, Beaver, Woodward, Blaine, Kingfisher, Canadian, Garfield, Grant, Kay, Payne, Osage, Washington, Ottawa, Cherokee, Muskogee, Tulsa, Okmulgee, McIntosh, Oklahoma, Pottawatomie, Cleveland, McClain, Garvin, Stephens, Comanche, Jackson, Greer, Kiowa, Caddo, and Custer Counties, Okla.; (c) between Wichita, Kans., on the one hand, and, on the other, points in Oklahoma; (d) between Topeka, Kans., on the one hand, and, on the other, points in Beckham, Washita, Caddo, Grady, McClain, Pontotoc, Coal, Atoka, Pushmataha, and Leflore Counties, Okla.; (e) between Mission, Kans., on the one hand, and, on the other, points in Canadian, Oklahoma, Cleveland, Tulsa, Custer, Muskogee, Woodward, Grady, Ottawa, Pontotoc, Noble, Payne, Comanche, Kay, Jackson, Nowata, and Pottawatomie Counties, Okla. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant holds contract carrier authority under MC 128616 and subs thereunder, therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo., or Chicago, Ill.

No. MC 114552 (Sub-No. 66), filed August 21, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, SC 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Ventilator systems, including parts, equipment and accessories* used in the installation thereof, from Keyser, W. Va., to points in the United States (except Alaska and Hawaii); and (2) *materials, supplies, equipment and accessories* used in the manufacturing and installation of ventilators, from points in the United States (except Alaska and Hawaii) to Keyser, W. Va. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., Philadelphia, Pa., or Columbia, S.C.

No. MC 114552 (Sub-No. 67), filed August 21, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, S.C. 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe, tubing, conduits, moldings, valves, fittings, siding, compounds, joint sealer, bonding cement, and accessories and materials* used in the installation thereof (except commodities in bulk), from Hagerstown, Md., to points in the United States on and east of a line beginning at the mouth of the Mississippi River, and extending along the Mississippi River to its junction with the western boundary of Itasca County, Minn., thence northward along the western boundaries of Itasca and Koochiching Counties, Minn., to the international boundary line between the United States and Canada, and *returned and rejected commodities*, on return. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., Philadelphia, Pa., or Columbia, S.C.

No. MC 114552 (Sub-No. 68), filed August 25, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: William P. Jackson, Jr., 919 18th Street NW., Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Roofing and roofing materials, gypsum and gypsum products, composition boards, insulation materials, urethane and urethane products and related materials, supplies and accessories, incidental thereto* (except commodities in bulk), from the plantsite and warehouse facilities of the Celotex Corp. located at points in Wayne County, N.C., to points in South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Illinois, Indiana, Ohio, West Virginia, Virgina, Pennsylvania, Maryland, Delaware, New Jersey, Kentucky, Tennessee, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Tampa, Fla.

No. MC 114552 (Sub-No. 69), filed August 28, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, S.C. 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Particleboard*, from Temple Industries plantsite, Thomson, Ga., to points in that part of the United States in and east of North Dakota, South Dakota, Nebraska, Colorado, and New Mexico. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex.; Washington, D.C., or Columbia, S.C.

No. MC 115162 (Sub-No. 254), filed August 3, 1972. Applicant: POOLE TRUCK LINE, INC., Post Office Drawer 500, Evergreen, AL 36401. Applicant's representative: Robert E. Tate (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Grain products and cereal products* (except in bulk), (1) from Keokuk, Iowa, and Arkansas City, Kans., to points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia, and (2) from points in Indiana, Michigan, and Ohio to points in Alabama, Arkansas, Florida, Georgia, Illinois, Louisiana, Mississippi, Tennessee, and Texas. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New Orleans, La., or Mobile, Ala.

No. MC 115311 (Sub-No. 138), filed August 25, 1972. Applicant: J & M TRANSPORTATION CO., INC., Post Office Box 488, Milledgeville, GA 31061. Applicant's representative: Alan E. Serby, Post Office Box 872, Atlanta, GA 30301. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Particle board* from the plantsite of Temple Industries, Inc., at or near Thomson, Ga., to points in the United States located in and east of North Dakota, South Dakota, Nebraska, Colorado, and New Mexico. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex., Dallas, Tex., or Atlanta, Ga.

No. MC 115322 (Sub-No. 92), filed August 16, 1972. Applicant: REDWING REFRIGERATED, INC., 2939 Orlando Drive, Post Office Box 1698, Sanford, FL 32771. Applicant's representative: James E. Wilson, 1032 Pennsylvania Building, Pennsylvania Avenue and 13th Street NW, Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes,

transporting: *Frozen foods*, from Salisbury, Md., to points in New York (except the New York, N.Y. commercial zone and points in the counties of Nassau, Westchester, and Suffolk), Ohio, and points in Pennsylvania on and west of U.S. Highway 15. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 115496 (Sub-No. 17), filed August 25, 1972. Applicant: LUMBER TRANSPORT, INC., Post Office Box 111, Cochran, GA 31014. Applicant's representatives: Alan E. Serby and Paul M. Daniell, Post Office Box 872, Atlanta, GA 30301. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Particle board*, from the plantsite of Temple Industries, Inc., at or near Thompson, Ga., to points in that part of the United States in and east of North Dakota, South Dakota, Nebraska, Colorado, and New Mexico. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex.; or Dallas, Tex.; or Atlanta, Ga.

No. MC 116763 (Sub-No. 225), filed August 21, 1972. Applicant: CARL SUBLER TRUCKING, INC., North West Street, Versailles, Ohio 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except frozen and commodities in bulk), (a) from Red Lodge, Mont., to points in the United States (except Montana, Wyoming, Colorado, Utah, Idaho, Nevada, Oregon, and Washington); and (b) from Arlington, Faribault, and Ortonville, Minn., to points in the United States (except Minnesota, Iowa, Nebraska, South Dakota, North Dakota, Montana, Wyoming, Idaho, Oregon, and Washington). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant further states that no duplicating authority is being sought. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 116763 (Sub-No. 226), filed August 24, 1972. Applicant: CARL SUBLER TRUCKING, INC., North West Street, Versailles, Ohio 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except frozen and commodities in bulk), from Poynette, Waunakee, Sun Prairie, Cobb, and Merrill, Wis., to points in Oklahoma, Texas, and New Mexico, restricted to traffic originating at the named origins and destined to the States named. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant further states that no duplicating authority is being sought. If a hearing is deemed necessary, applicant requests it be held at Milwaukee, Wis.

No. MC 117557 (Sub-No. 16), filed August 31, 1972. Applicant: MATSON, INC., Post Office Box 43, Cedar Rapids, IA 52406. Applicant's representative: Kenneth F. Dudley, 611 Church Street, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (A) (1) *Aggregate and asphalt plants;* (2) *equipment and machinery* used for, or in connection with aggregates, asphalt, or similar commodities; (3) *construction, road building, and maintenance equipment;* (4) *material handling, material distributing, and self unloading machinery and equipment;* (5) *paving machinery and equipment;* (6) *material reducing and processing machinery and equipment;* (7) *crushers, screening machinery and equipment, washers, conveyors, elevators, driers, and trailers;* (8) *quarry and mining machinery and equipment;* (9) *dust collectors and antipollution machinery and equipment;* (10) *cranes* and (11) *parts, attachments, accessories, and related equipment* for the commodities described in (1) through (10) above, from points in Linn County, Iowa, to points in the United States (except Alaska and Hawaii). (B) *Materials, equipment, and supplies* used in the manufacture, processing, sale and distribution of the commodities listed in (A) above (except commodities in bulk), from points in the United States (except Alaska and Hawaii), to points in Linn County, Iowa, and (C) *Experimental and show display machinery and equipment* of the commodities listed in (A) above, between points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority can be tacked with its existing authority through Cedar Rapids and other points. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Des Moines, Iowa.

No. MC 117565 (Sub-No. 66), filed August 17, 1972. Applicant: MOTOR SERVICE COMPANY, INC., Route 3, Post Office Box 448, Coshocton, OH 43812. Applicant's representative: John R. Hafner (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers*, designed to be drawn by passenger automobiles, in initial movements, from points in Christian County, Ky., to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Columbus or Cincinnati, Ohio.

No. MC 117639 (Sub-No. 6), filed August 30, 1972. Applicant: JACK S. OCHSNER, doing business as, PICK'S PACK HAULER, 607 South Burlington, Hastings, NE 68901. Applicant's representative: Frederick J. Coffman, 521 South 14th Street, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Brick*, from points at or near Fairbury and Lincoln, Nebr., to points in Minnesota, Wisconsin, Illinois, and Oklahoma under continuing contracts with Yankee Hill Brick Manufacturing Co. and Endicott Clay Products Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lincoln or Omaha, Nebr.

No. MC 117943 (Sub-No. 1) (Amendment), filed August 11, 1971, published in the FEDERAL REGISTER issued of September 16, 1971, and republished as amended this issue. Applicant: JOSEPH M. BOOTH, doing business as J. M. BOOTH TRUCKING, Post Office Box 907 Eustis, FL 32726. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* used or useful in the manufacture and sale of wearing apparel and *wearing apparel*, between points in Hudson, Bergen, Essex, Passaic, Union, Somerset, and Middlesex Counties, N.J.; points in Westchester, Nassau, Suffolk, Rockland Counties, N.Y., and New York, N.Y., on the one hand, and, on the other, points in Brevard, Broward, Dade, Duval, Hillsborough, Indian River, Lake, Martin, Orange, Pinellas, Palm Beach, St. Johns, St. Lucie, and Volusia Counties, Fla., restricted against the transportation of shipments to and from the facilities used by Grand Union Co. of East Paterson, N.J., and Unity Consolidated, Inc., of New York, N.Y. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant holds contract carrier authority under MC 124964 (Sub-No. 10), therefore, dual operations may be involved. The purpose of this republication is to redescribe the authority sought. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y., or Miami, Fla.

No. MC 118535 (Sub-No. 53), filed August 31, 1972. Applicant: JIM TIONA, JR., 111 South Prospect Street, Butler, MO 64730. Applicant's representative: Wilburn L. Williamson, 280 National Foundation Life Building, 3535 Northwest 58th, Oklahoma City, OK 73112. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry feed and feed ingredients*, from Van Buren, Ark., to points in Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Mississippi, Nebraska, New Mexico, Oklahoma, and Texas. NOTE: Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.

No. MC119522 (Sub-No. 17), filed August 21, 1972. Applicant: McLAIN TRUCKING, INC., 2425 Walton Street, Anderson, IN 46011. Applicant's representative: Donald W. Smith, 900 Circle Tower, Indianapolis, IN 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wastepaper*, between points in Ohio, Indiana, Michigan, Illinois, and Kentucky. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Indianapolis, Ind., or Chicago, Ill.

No. MC 119792 (Sub-No. 35), filed August 18, 1972. Applicant: CHICAGO SOUTHERN TRANSPORTATION COMPANY, INC., 1401 West 43d Street, Chicago, IL 60609. Applicant's representative: William J. Boyd, 29 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat and meat products and meat byproducts and articles distributed by meat packinghouses* as described in sections A, B, and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 MCC 209 and 766, from St. Louis, Mo., and its commercial zone to points in North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, and Kentucky. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 123255 (Sub-No. 27), filed August 25, 1972. Applicant: B & L MOTOR FREIGHT, INC., 140 Everett Avenue, Newark, OH 43055. Applicant's representative: C. F. Schnee, Jr. (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs and empty foodstuffs containers*, from the plantsite and storage facilities of Heinz U.S.A., Division of H. J. Heinz Co., at Holland, Mich., to the plantsites and storage facilities of Heinz U.S.A. divisions at Muscatine, Iowa; Salem, N.J.; Bowling Green, Ohio, and Fremont, Ohio; and Chambersburg and Pittsburgh, Pa., the distribution center sites of Heinz U.S.A. divisions at Bridgeview, Ill.; Iowa City, Iowa; Harrison, N.J.; Toledo, Ohio, and Mechanicsburg and Pittsburgh, Pa., and the warehouse site of Heinz U.S.A. division at Leetsdale, Pa., restricted to traffic originating at and destined to the specified points. NOTE: Applicant holds contract carrier authority under MC 81968 and subs thereunder, therefor, dual operations may be involved. No duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio, or Chicago, Ill.

No. 123639 (Sub-No. 147), filed August 21, 1972. Applicant: J. B. MONTGOMERY, INC., 5150 Brighton Boulevard, Denver, CO 80216. Applicant's representative: John F. DeCock (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, between the plantsite and storage facilities of Chicago Bridge & Iron Co. located at Indian Oaks, Ill., on the one hand, and, on the other, points in Iowa, Kansas, Nebraska and that part of Colorado on and east of U.S. Highway 87 from the Wyoming-Colorado State line to its junction with Colorado Highway 1 at or near Wellington, thence on and east of Colorado Highway 1 to its junction with U.S. Highway 87 at or near Denver, thence on and east of U.S. Highway 87 to its junction with U.S. Highway 50 at or near Pueblo, and on and north of U.S. Highway 50. NOTE: Applicant states that its present authority could possibly be tacked with its existing authority under Sub-No. 2, which would provide service between Chicago, Ill., and Indian Oaks, Ill. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 123639 (Sub-No. 148), filed August 21, 1972. Applicant: J. B. MONTGOMERY, INC., 5150 Brighton Boulevard, Denver, CO 80216. Applicant's representative: John F. DeCock (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dehydrated alfalfa and pellets*, in bags, from Schuyler, Nebr., to points in Illinois and Indiana, restricted against service to points in the Chicago, Ill., commercial zone. NOTE: Applicant states that the requested authority can be tacked with its existing authority under MC 123639 (Sub-No. 2) to provide service from Denver, Colo. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 123639 (Sub-No. 149), filed August 21, 1972. Applicant: J. B. MONTGOMERY, INC., 5150 Brighton Boulevard, Denver, CO 80216. Applicant's representative: John F. DeCock (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, dairy products and articles distributed by meat packinghouses*, as described in Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from points in Nebraska to points in Connecticut, Delaware, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia, restricted against points in Illinois and Indiana in the Chicago, Ill., commercial zone. NOTE: Applicant states tacking of the requested authority would be possible with certain of its existing authority so as to provide through service from Denver, Colo., and certain points in Kansas and Iowa. Applicant further states no duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 124796 (Sub-No. 100) (Correction), filed August 3, 1972, published in the FEDERAL REGISTER, issue of August 31, 1972, and republished in part as corrected this issue. Applicant: CONTINENTAL CONTRACT CARRIER CORP., 15045 East Sale Lake Avenue (Post Office Box 1257), City of Industry, CA 91749. Applicant's representative: J. Max Harding, Post Office Box 82028, Lincoln, NE 68501. NOTE: The sole purpose of this partial republication is to reflect the State of Florida as a destination point in (1) of the application, which was erroneously omitted in the previous publication. The rest of the application remains as previously published.

No. MC 125813 (Sub-No. 12), filed August 9, 1972. Applicant: CRESSLER TRUCKING, INC., 153 West Orange Street, Shippensburg, PA 17257. Applicant's representative: John M. Musselman, 400 North Third Street, Harrisburg, PA 17108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Party novelties and decorations and materials and supplies* used or useful in the manufacture, storage, and distribution of party novelties and decorations, between Royersford and Shippensburg, Pa., and New York, N.Y., on the one hand, and, on the other, points in Illinois, Indiana (except party novelties and decorations from Shippensburg, Pa., to Peru, Ind.), Kentucky, Michigan, Ohio, Pennsylvania, and Wisconsin. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Harrisburg, Pa., or Washington, D.C.

No. MC 126270 (Sub-No. 4), filed August 9, 1972. Applicant: COMPTON SERVICE COMPANY, a corporation, 1218 South Vandeventer, St. Louis, MO 63110. Applicant's representative: Billy J. Hunt (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Kitchen equipment*, as described in appendix IV and *electrical appliances, equipment, and parts* as described in appendix VII to the report in Descriptions in Motor Carrier Certificates, 61 MCC 209, *new furniture (uncrated), bicycles, gym sets, lawnmowers, athletic and sporting goods and equipment, rugs and carpets*, for the account of Famous Barr Co., from St. Louis, Mo., and points in St. Louis County, Mo., to those points in Illinois on and within a line beginning at the Mississippi River at or near Mozier, Ill., and extending east along Illinois Highway 96 to junction Illinois Highway 108, thence east along Illinois Highway 108 to junction Interstate Highway 55, thence south along Interstate Highway 55 to junction Illinois Highway 16, thence east along Illinois Highway 16 to junction Illinois Highway

127, thence south along Illinois Highway 127 to junction Illinois Highway 154, thence west along Illinois Highway 154 to junction Illinois Highway 150, thence south along Illinois Highway 150 to the Mississippi River at or near Chester, Ill., with pickup from said points and return to Famous Barr Co. warehouse in St. Louis, Mo. NOTE: If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 126899 (Sub-No. 57), filed August 17, 1972. Applicant: USHER TRANSPORT, INC., 3925 Old Benton Road, Paducah, KY 42001. Applicant's representative: George M. Catlett, 703–706 McClure Building, Frankfort, Ky. 40601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, in containers, and *incidental advertising material and premiums*, and *empty malt beverage containers* on return, from Newport, Ky., to points in Massachusetts, Maryland, Connecticut, Rhode Island, New Hampshire, Vermont, Delaware, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Louisville, Ky., or Cincinnati, Ohio.

No. MC 127274 (Sub-No. 37), filed August 30, 1972. Applicant: SHERWOOD TRUCKING, INC., 1517 Hoyt Avenue, Muncie, IN 47302. Applicant's representative: Donald W. Smith, 900 Circle Tower, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Glass containers and closures* therefor, from Terre Haute, Ind., to points in Tennessee, Georgia, Louisiana, North Carolina, and South Carolina; and (2) *materials, equipment, and supplies* used in the manufacture and distribution of glass containers, from points in Louisiana, Georgia, and Tennessee, to Terre Haute, Ind. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Indianapolis, Ind.

No. MC 127834 (Sub-No. 81), filed August 22, 1972. Applicant: CHEROKEE HAULING & RIGGING, INC., 540–42 Merritt Avenue, Nashville, TN 37203. Applicant's representative: M. Bryan Stanley (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Roadbuilding, earthmoving, construction, mining, and contractors' machinery and equipment, and parts thereof* when moving at the same time or separately, from Chattanooga, Tenn., to points in the United States, including Alaska but excluding Hawaii. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chattanooga, Tenn.

No. MC 129086 (Sub-No. 18), filed August 18, 1972. Applicant: SPENCER TRUCKING CORPORATION, Box 254A, Route 2, Keyser, WV 26726. Applicant's representative: Charles E. Creager, Suite 523, 816 Easley Street, Silver Spring, MD 20910. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Slate cinders*, from points in Amherst County, Va., to points in Delaware, Maryland, Pennsylvania, New Jersey, New York, West Virginia, and the District of Columbia. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 129558 (Sub-No. 6), filed August 17, 1972. Applicant: ROY ROSS, doing business as ROY ROSS TRUCKING COMPANY, Post Office Box 405, Spruce Street, Gallipolis, OH 45631. Applicant's representative: James R. Stiverson, 50 West Broad Street, Columbus, OH 43215. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packinghouses*, as described in sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and liquid commodities in bulk) from Bidwell and Xenia, Ohio, to points in Indiana and Michigan, under contract with Bob Evans Farms, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbia, Ohio, or Washington, D.C.

No. MC 129910 (Sub-No. 4), filed August 21, 1972. Applicant: PORT OF NEW YORK EXPRESS CO. INC., 145 Morgan Street, Jersey City, NJ 07302. Applicant's representative: Martin Werner, 2 West 45th Street, New York, NY 10036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Bed sheets and pillow cases*, between points in the New York, N.Y., commercial zone, as defined in 84 M.C.C. 747, on the one hand, and, on the other, Garwood, N.J., under a continuing contract with Petersen Linen Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at New York, N.Y., or Newark, N.J.

No. MC 133106 (Sub-No. 23), filed August 30, 1972. Applicant: NATIONAL CARRIERS, INC., 1501 East Eighth Street, Post Office Box 1358, Liberal, KS. Applicant's representative: Frederick J. Coffman, 521 South 14th Street, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Lamps and related advertising and packaging materials*, from the plantsite and storage facilities used by International Telephone and Telegraph Corp., at or near Lynn, Mass., to points in Illinois, Oklahoma, Indiana, Colorado, Texas, Wisconsin, California, Oregon, Missouri, and Nebraska, under continuing contract with International Telephone and Telegraph Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo., or Boston, Mass.

No. MC 133566 (Sub-No. 21), filed August 17, 1972. Applicant: GANGLOFF & DOWNHAM TRUCKING CO., INC., Post Office Box 676, Logansport, IN 46947. Applicant's representative: William L. Slover, 1224 17th Street NW., Washington, DC 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packinghouses*, as described in sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 706 (except hides and commodities in bulk, in tank vehicles), from St. Louis, Mo., and its commercial zone to points in Michigan, Ohio, Indiana, Pennsylvania, New York, Maine, New Hampshire, Rhode Island, Massachusetts, Connecticut, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo., or Washington, D.C.

No. MC 133966 (Sub-No. 19), filed August 10, 1972. Applicant: NORTH EAST EXPRESS, INC., Post Office Box 61, Mountaintop, PA 18707. Applicant's representative: Edward G. Villalon, 1032 Pennsylvania Building, Pennsylvania Avenue and 13th Street NW., Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Mineral wool, mineral wool products, insulation and insulation materials* (except commodities in bulk), from Wright Township, Luzerne County, Pa., to points in Virginia, West Virginia, Kentucky, Indiana, North Carolina, South Carolina, and the District of Columbia; and (2) *equipment, supplies and materials* used in the manufacture and shipping of the commodities described in part (1) above, from Virginia, West Virginia, Kentucky, Indiana, North Carolina, South Carolina, and the District of Columbia to Wright Township, Luzerne County, Pa. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Philadelphia, Pa.

No. MC 134068 (Sub-No. 13), filed August 14, 1972. Applicant: KODIAK REFRIGERATED LINES, INC., 3336 East Fruitland Avenue, Vernon, CA 90058. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Canned goods*, from points in California to points in Illinois. NOTE: Applicant states that

the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Los Angeles, Calif.

No. MC 134433 (Sub-No. 2), filed August 21, 1972. Applicant: FRITZ-WAY MESSENGER SERVICE, INC., 1440 West 34th Street, Chicago, IL 60608. Applicant's representative: Eugene L. Cohn, 1 North La Salle Street, Chicago, IL 60602. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Merchandise, equipment, and supplies*, sold, used, or distributed by a manufacturer of cosmetics, and return shipments of said commodities, (1) between Morton Grove and Glenview, Ill., and Springdale, Ohio, on the one hand, and, on the other, points in that part of Indiana located on, and north of a line extending from the Indiana-Illinois State line along U.S. Highway 40 to Terre Haute, Ind., and thence along Indiana Highway 46 to the Indiana-Ohio State line; points in that part of Michigan bounded by a line beginning at Ludington, Mich., and extending along U.S. Highway 10 to junction Michigan Highway 25, thence along Michigan Highway 25 to junction U.S. Highway 25, thence along U.S. Highway 25 to junction Interstate Highway 94, thence along Interstate Highway 94 to junction Interstate Highway 75, thence along Interstate Highway 75 to the Michigan-Ohio State line; and (2) between points in that part of Indiana located on and north of a line beginning at the Illinois-Indiana State line and extending along U.S. Highway 40 to Terre Haute, Ind., thence along Indiana Highway 46 to the Indiana-Ohio State line. Restriction: The above-described operations are limited to a transportation service to be performed under a continuing contract, or contracts, with Avon Products, Inc. NOTE: Common control and dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 134599 (Sub-No. 46) (Correction), filed June 23, 1972, published in the FEDERAL REGISTER of July 20, 1972, and republished as corrected this issue. Applicant: INTERSTATE CONTRACT CARRIER CORPORATION, Post Office Box 748, Salt Lake City, UT 84110. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Tire fabric* (1) from Scottsville, Va.; Shelbyville, Tenn., and Winnsboro, S.C., to Louisville, Ky., and (2) from Louisville, Ky., to Detroit, Mich., Eau Claire, Wis., Chicopee Falls, Mass., Opelika, Ala., and Los Angeles, Calif., under contract with Uniroyal, Inc. NOTE: The purpose of this republication is to reflect (2) above, which was erroneously omitted in the previous publication. If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr., or Salt Lake City, Utah.

No. MC 134599 (Sub-No. 48) (clarification), filed July 3, 1972, published in the FEDERAL REGISTER issue of August 3, 1972, and republished as clarified this issue. Applicant: INTERSTATE CONTRACT CARRIER CORPORATION, Post Office Box 748, Salt Lake City, UT 84110. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Rubber, rubber products, plastics, chemicals, and equipment, materials and supplies* used in the manufacturing and production thereof (except in bulk, in tank vehicles), (1) from Detroit, Mich., to Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Santa Ana, Calif.; Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass.; and Beacon Falls, Conn.; (2) from Flint, Mich., to Opelika and Birmingham, Ala.; Atlanta and Doraville, Ga.; Chattanooga, Tenn.; Los Angeles and Santa Ana, Calif.; Chicopee Falls, Holyoke, Springfield, Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J., and Beacon Falls, Conn.; (3) from Opelika, Ala., to Flint, Mich.; Santa Ana, Calif.; Minneapolis, Minn.; Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass., and Beacon Falls, Conn.; (4) from Doraville and Atlanta, Ga., to Chattanooga, Tenn.; Birmingham, Ala., Detroit and Flint, Mich.; Los Angeles and Santa Ana, Calif.; Eau Claire, Wis.; Minneapolis, Minn.; Chicopee Falls, Holyoke, Springfield, and Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J., and Beacon Falls, Conn.; (5) from Los Angeles, Calif., to Flint, Mich.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Birmingham, Ala.; Minneapolis, Minn.; Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass., and Beacon Falls, Conn.; (6) from Santa Ana, Calif., to Detroit and Flint, Mich.; Opelika and Birmingham, Ala., Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Eau Claire, Wis.; Minneapolis, Minn.; Chicopee Falls, Holyoke, Springfield, and Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J.; and Beacon Falls, Conn.; (7) from Eau Claire, Wis., to Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Birmingham, Ala.; Santa Ana, Calif.; Philadelphia, Pa.; Port Newark, N.J.; and Beacon Falls, and Easthampton, Mass.; and Beacon Falls, Conn.; (8) from Minneapolis, Minn.; to Opelika and Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Los Angeles and Santa Ana, Calif.; Chicopee Falls, Holyoke, Springfield, and Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J.; and Beacon Falls, Conn.; (9) from Chicopee Falls, Mass.; to Flint, Mich.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Birmingham, Ala., Santa Ana, Calif., and Minneapolis, Minn.; and (10) from Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass.; and Beacon Falls, Conn.; to Detroit and Flint, Mich.; Opelika and Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Los Angeles and Santa Ana, Calif.; Eau Claire, Wis.; and Minneapolis, Minn., under a continuing contract with Uniroyal, Inc., restricted to traffic originating at and destined to the plantsites and warehouses of Uniroyal, Inc. NOTE: The purpose of this republication is to add the word "to" after the origins Doraville and Atlanta, Ga., in Part (4) of the application, which was erroneously omitted. If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr., or Salt Lake City, Utah.

No. MC 134775 (Sub-No. 3), filed July 12, 1972. Applicant: GUNTER BROTHERS, INC., 19060 Frager Road, Kent, WA 98031. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Roofing materials; shakes and shingles; surplus supplies, and salvage*, between points in Washington, California, and Oregon, under contract with Hatch & Kirk, Inc., Diesel Service Co., Puget Sound Salvage & Equipment Co., Harbor Island Supply, Inc., and C Roofing Supply Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 134806 (Sub-No. 9), filed August 23, 1972. Applicant: B–D–R TRANSPORT, INC., Post Office Box 813, Brattleboro, VT 05301. Applicant's representative: Francis J. Ortman, 1100 17th Street NW., Suite 613, Washington, DC 20036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Footwear*, from points in Massachusetts, New Hampshire (except Manchester, Nashua, and Rollinsford), and Maine (except Brunswick and North Berwick) to Brattleboro, Vt., under contract with Dunham Brothers Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Brattleboro, Vt., or Boston, Mass.

No. MC 135840 (Sub-No. 2), filed August 7, 1972. Applicant: S & S ENTERPRISES, INC., 2525 Burlington, Billings, MT 59102. Applicant's representative: Hugh Sweeney, 2720 Third Avenue North, Billings, MT 59101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Carbonated beverages, beverage cans, vending machines, tanks, ice chests, sirups, CO_2 drums and paper cups*, from Billings, Mont., to Sheridan, Wyo., under contract with Wy-Mont Beverages, Billings, Mont. NOTE: If a hearing is deemed necessary, applicant requests it be held at Billings, Mont.

No. MC 135895 (Sub-No. 2), filed August 28, 1972. Applicant: DON RAY BOYD AND JACKIE ROGERS, a partnership, doing business as B & R DRAYAGE COMPANY, 525 Julienne Street, Jackson, MS 39205. Applicant's representative: Douglas C. Wynn, Post Office Box 1295, Greenville, MS 38701.

Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural insecticides*, except liquids in bulk, from the plantsites and warehouses of Allied Chemical Corp., at or near Prairie, Miss., to points in Alabama, Georgia, Louisiana, and Texas; and *empty trailers*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at Jackson, Miss.

No. MC 136309 (Sub-No. 1), filed August 14, 1972. Applicant: KIRK A. JEFFERTS, 2915 Green Lantern Road, Everett, WA 98204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wooden shakes, shingles, and ridge trim*, from points in Skagit Co., Wash., to points in California. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Seattle or Everett, Wash.

No. MC 136316 (Sub-No. 1), filed August 25, 1972. Applicant: JOHN W. SMITH, doing business as JOHN W. SMITH TRUCKING CO., Route 4, Riverside Road, Lancaster, S.C. 29720. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, S.C. 29201. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from Lancaster, S.C., to points in the United States east of the Mississippi River and points in Louisiana, Minnesota, and Texas, under contract with Lehigh-Lancaster, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbia, S.C., Charlotte, N.C., or Washington, D.C.

No. MC 136410 (Sub-No. 1), filed August 28, 1972. Applicant: NORRIS SAMPLER, Route 2, Post Office Box 322, Hart, TX. Applicant's representative: John C. Sims, 1607 Broadway, Lubbock, TX 79401. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Alfalfa pellets*, from points in Barton and Pawnee Counties, Kans., to points in Texas, under contract with Alfalfa Pellets, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lubbock, Tex.

No. MC 136545 (Sub-No. 3), filed August 21, 1972. Applicant: NUSSBERGER BROS. TRUCKING CO., INC., Post Office Box 97, Prentice, WI 54556. Applicant's representative: A. R. Fowler, 2288 University Avenue, St. Paul, MN 55114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed and animal and poulty feed concentrates*, in bags, when in mixed shipments with animal and poultry feed and animal and poultry feed concentrates, in bulk, from Minneapolis, Minn., to points in Ashland, Brown, Door, Florence, Forest, Iron, Kewaunee, Langlade, Lincoln, Marathon, Marinette, Menominee, Oconto, Oneida, Outagamie, Price, Shawano, Taylor, and Vilas Counties, Wis. NOTE: Applicant holds contract carrier authority under MC 124121 and Subs thereunder, therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 136613 (Sub-No. 1), filed August 18, 1972. Applicant: DAVID DYKE, doing business as DYKE TRANSPORT, 112 Thomas, Worthington, MN 56187. Applicant's representative: Robert D. Gisvold, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Inoperative farm tractors and farm machinery and subassemblies* thereof, being transported to points of salvage, from points in California, Arizona, Colorado, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Iowa, Missouri, Arkansas, Louisiana, Mississippi, and Alabama, to Worthington, Minn. NOTE: If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 136631 (Sub-No. 1), filed August 17, 1972. Applicant: LEO THOMAS SWINEY, Box 207, Owaneco, IL 62555. Applicant's representative: Robert T. Lawley, 300 Reisch Building, Springfield, Ill. 62701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dressed beef and beet offal*, in mechanically refrigerated vehicles, for the account of McCabe Packing Plant, from Taylorville, Ill., to points in Arkansas, Indiana, Iowa, Kentucky, Michigan, Missouri, Minnesota, Mississippi, Ohio, Tennessee, and Wisconsin, under contract with Joseph McCabe, doing business as McCabe Packing Plant, Taylorville, Ill. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., St. Louis, Mo., or Springfield, Ill.

No. MC 136910 (Sub-No. 1), filed July 13, 1972. Applicant: TAGGART SERVICE LIMITED, 885 Churchill Avenue, Ottawa, ON, Canada. Applicant's representative: Frank J. Kerwin, Jr., 900 Guardian Building, Detroit, Mich. 48221. Authority sought to operate as a *common carrier*, by motor vehicles, over irregular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, and those requiring special equipment), between ports of entry on the international boundary line between the United States-Canada, at or near Alexandria Bay (Ivy Lea Bridge), N.Y., on the one hand, and, on the other, the international compound at or near Alexandria Bay, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y., or Detroit, Mich.

No. MC 136969, filed August 9, 1972. Applicant: JAMES NEIL FURLOW, doing business as FURLOW'S GARAGE, 1501 Ford Avenue, Cumberland, MD 21502. Applicant's representative: John F. Somerville, Jr., 71 Prospect Square, Cumberland, MD 21502. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, *Towing disabled and nondisabled vehicles* (tractor-trailer towing), within a 50-mile radius of Cumberland, Md., to embrace: (1) U.S. Route 50 to Grafton, W. Va.; (2) U.S. Route 220 north to Pennsylvania Turnpike; on turnpike to Breezewood, Pa., East; (3) U.S. Route 50 East to Winchester, Va.; (4) U.S. Route 40 West to Uniontown, Pa.; and (5) U.S. Route 40 East to Hagerstown, Md., under contract with Fairmont Foods, Hall's Motor Transit, Motor Freight Express, Hemingway Bros., Douglas Meat Co., Charlton Bros. Trucking Co., and Crites Transfer Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Cumberland, Md., or Washington, D.C.

No. MC 136974, filed August 11, 1972. Applicant: CHECKER TRANSFER & STORAGE CO., a corporation, Huger and Blossoms Streets, Columbia, S.C. 29201. Applicant's representative: Robert J. Gallagher, 1776 Broadway, New York City, NY 10019. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods*, as defined by the Commission, between points in South Carolina, on the one hand, and, on the other, points in Alabama, Georgia, Florida, Tennessee, Kentucky, West Virginia, Virginia, Maryland, North Carolina, South Carolina, Ohio, and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbia, S.C.

No. MC 138007, filed August 21, 1972. Applicant: S. P. GERDWAGEN & SONS, INC., 171 Christopher Street, New York, NY 10014. Applicant's representative: Morris Honig, 150 Broadway, New York, NY 10038. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cameras and business machines and parts thereof, and advertising materials, supplies, and displays*, (1) between points in the New York, N.Y., commercial zone as defined by the Commission, Port Newark and Port Elizabeth, N.J., on the one hand, and, on the other, Ramsey, N.J., restricted to shipments having a prior or subsequent movement by water, (2) between John F. Kennedy International Airport at New York, N.Y., on the one hand, and, on the other, Ramsey, N.J., restricted to shipments having a prior or subsequent movement by air, and (3) between Ramsey, N.J., and New York, N.Y., under contract with Minolta Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

MOTOR CARRIER OF PASSENGERS

No. MC 109014 (Sub-No. 6), filed June 7, 1972. Applicant: GREAT SOUTHERN COACHES, INC., 900 Burke Avenue, Jonesboro, AR 72401. Applicant's representative: Forrest P. Carson, 211 East Capitol Avenue, Jefferson City, MO 65101. Authority sought to operate as a *common carrier*, by motor vehicle, over

regular and irregular routes, transporting: (1) *Passengers and their baggage and express and newspapers* in the same vehicle with passengers, between St. Louis, Mo., and Chester, Ill., from St. Louis, Mo., over Interstate Highway 55 to East St. Louis, Ill., thence over U.S. Highway 460 to Belleville, Ill., thence over Illinois Highway 159 to Redbud, Ill., thence over Illinois Highway 3 to Chester, Ill., and return over the same route, serving all intermediate points; and irregular routes: (2) *Passengers and their baggage and express and newspapers* in the same vehicle with passengers, in charter operations, beginning and ending at points on the above routes, and extending to points in the United States, including Alaska, (but excluding Hawaii). NOTE: If a hearing is deemed necessary, applicant requests it be held at either (1) St. Louis, Mo.; (2) Belleville, Ill.; or (3) Cape Girardeau, Mo.

APPLICATIONS FOR BROKERAGE LICENSE

No. MC 12645 (Sub-No. 7), filed August 25, 1972. Applicant: PARAGON TRAVEL AGENCY, INC., 680 Purchase Street, New Bedford, MA. Applicant's representative: S. Harrison Kahn, 733 Investment Building, Washington, D.C. 20005. For a license (BMC–5) to engage in operations as a broker at Taunton, Mass., and Warwick and Woonsocket, R.I., in arranging transportation by motor vehicle in interstate or foreign commerce, of *passengers and their baggage* in special and charter operations between points in the United States, including Alaska and Hawaii.

No. MC 130176, filed August 14, 1972. Applicant: ARTHUR L. MABRY, SR., AND NELL MABRY, doing business as CENTER TRAVEL SERVICE, 225 Peachtree Street NE., Suite 2306, Atlanta, GA 30303. Applicant's representative: Bruce E. Mitchell, Post Office Box 872, Atlanta, GA 30301. For a license (BMC–5) to engage in operations as a *broker* at Atlanta, Ga., in arranging for the transportation, by motor vehicle, in interstate or foreign commerce, of *passengers and their baggage*, in special and charter operations, between points in the United States, including Alaska and Hawaii.

APPLICATIONS IN WHICH HANDLING WITHOUT ORAL HEARING HAS BEEN REQUESTED

No. MC 135234 (Sub-No. 9), filed August 16, 1972. Applicant: COMMERCIAL CARTAGE, INC., Stop 24 Winfield Road, St. Albans, WV 25177. Applicant's representative: Marvin L. Meadows (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Electric cable, aluminum coils, aluminum rod, and empty reels*, between Williamsport and Jersey Shore, Pa., and Tucker, Ga., on the one hand, and, on the other, points in Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and the District of Columbia, under contract with Alcan Aluminum Corp.

No. MC 136714 (Sub-No. 1), filed August 31, 1972. Applicant: TENNESSEE EXPRESS, INC., 22 Stanley Street, Nashville, TN 37210. Applicant's representative: Philip B. George (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Telephone equipment, material, and supplies*, including *tools* used in the construction and maintenance of telephone systems and communications, between Nashville, Tenn., and points in Cannon, Cheatham, Clay, De Kalb, Dickson, Houston, Jackson, Macon, Montgomery, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Williamson, and Wilson Counties, Tenn., under contract with Western Electric Co., Inc.

No. MC 109598 (Sub-No. 42), filed August 23, 1972. Applicant: CAROLINA SCENIC STAGES, 417 West Fifth Street, Charlotte, NC 28201. Applicant's representative: James E. Wilson, Suite 1032, 425 13th Street NW., Washington, DC 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers*, and *their baggage, and express and newspapers* in the same vehicle with passengers, between Charlotte, N.C., and junction U.S. Highway 21 and South Carolina Highway 160 near Fort Mill, S.C., from Charlotte over Interstate Highway 77 to junction U.S. Highway 21, thence over U.S. Highway 21 to junction South Carolina Highway 160, and return over the same route, serving the intermediate points of Carowinds only. NOTE: Common control may be involved.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72–15971 Filed 9–20–72;8:47 am]

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PART II

CIVIL AERONAUTICS BOARD

■

Uniform System of Accounts and Reports for Certificated Air Carriers

■

Republication of Regulations

Title 14—AERONAUTICS AND SPACE

Chapter II—Civil Aeronautics Board

SUBCHAPTER A—ECONOMIC REGULATIONS

[Reg. ER–755]

PART 241—UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of August 1972.

Pursuant to authority delegated to the General Counsel in § 385.19(f) of the Board's Organization Regulations, Part 241 is hereby reissued, effective October 3, 1972, to incorporate all amendments which were in effect on the date of adoption of this ER–755.

By the Civil Aeronautics Board.

[SEAL] O. D. OZMENT,
Acting General Counsel.

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AUTHORITY: The provisions of this Part 241 issued under secs. 204, 401, 407, 417 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 754 (as amended), 766 (as amended); 76 Stat. 145; 49 U.S.C. 1324, 1371, 1377, 1387; and sec. 3 of the Administrative Procedure Act, 81 Stat. 54, 5 U.S.C. 552.

Section 01—Authority Under Which Accounting and Reporting Rules and Regulations are Prescribed and Administered

This Uniform Systems of Accounts and Reports for Certificated Air Carriers is issued, prescribed and administered under the following provisions of the Federal Aviation Act of 1958, as amended (72 Stat. 731, 49 U.S.C. 1301):

GENERAL POWERS

SEC. 204. (a) The Board is empowered to perform such acts, to conduct such investigations, to issue and amend such orders, and to make and amend such general or special rules, regulations, and procedure, pursuant to and consistent with the provisions of this Act, as it shall deem necessary to carry out the provisions of, and to exercise and perform its powers and duties under, this Act.

FILING OF REPORTS

SEC. 407. (a) The Board is empowered to require annual, monthly, periodical, and special reports from any air carrier; to prescribe the manner and form in which such reports shall be made; and to require from any air carrier specific answers to all questions upon which the Board may deem information to be necessary. Such reports shall be under oath whenever the Board so requires. The Board may also require any air carrier to file with it a true copy of each or any contract, agreement, understanding, or arrangement, between such air carrier and any other carrier or person, in relation to any traffic affected by the provisions of this Act.

DISCLOSURE OF STOCK OWNERSHIP

SEC. 407. (b) Each air carrier shall submit annually, and at such other times as the Board shall require, a list showing the names of each of its stockholders or members holding more than 5 per centum of the entire capital stock or capital, as the case may be, of such air carrier, together with the name of any person for whose account, if other than the holder, such stock is held; and a report setting forth a description of the shares of stock, or other interest, held by such air carrier, or for its account, in persons other than itself.

FORM OF ACCOUNTS

SEC. 407. (d) The Board shall prescribe the forms of any and all accounts, records, and memoranda to be kept by air carriers, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, and the length of time such accounts, records, and memoranda shall be preserved; and it shall be unlawful for air carriers to keep any accounts, records, or memoranda other than those prescribed or approved by the Board: *Provided*, That any air carrier may keep additional accounts, records, or memoranda if they do not impair the integrity of the accounts, records, or memoranda prescribed or approved by the Board and do not constitute an undue financial burden on such air carrier.

INSPECTION OF ACCOUNTS AND PROPERTY

SEC. 407. (e) The Board shall at all times have access to all lands, buildings, and equipment of any carrier and to all accounts records, and memoranda, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers; and it may employ special agents or auditors, who shall have authority under the orders of the Board to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memoranda. The provisions of this section shall apply, to the extent found by the Board to be reasonably necessary for the administration of this Act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5(8) of the Interstate Commerce Act, as amended.

CLASSIFICATION

SEC. 416. (a) The Board may from time to time establish such just and reasonable classifications or groups of air carriers for the

purposes of this title as the nature of the services performed by such air carriers shall require; and such just and reasonable rules and regulations, pursuant to and consistent with the provisions of this title, to be observed by each such class or group, as the Board finds necessary in the public interest.

SAFETY, ECONOMIC AND POSTAL OFFENSES

SEC. 901. (a)(1) Any person who violates (A) any provision of title III, IV, V, VI, VII, or XII of this Act, or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition or limitation of any permit or certificate issued under title IV, or (B) any rule or regulation issued by the Postmaster General under this Act, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. If such violation is a continuing one, each day of such violation shall constitute a separate offense: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

(2) Any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, or by the Board in the case of violations of titles IV or VII, or any rule, regulation or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or by the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

FAILURE TO FILE REPORTS; FALSIFICATION OF RECORDS

SEC. 902 (e) Any air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, fail or refuse to make a report to the Board or Administrator as required by this Act, or to keep or preserve accounts, records, and memoranda in the form and manner prescribed or approved by the Board or Administrator, or shall, knowingly and willfully, falsify, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor and, upon conviction thereof, be subject for each offense to a fine of not less than $100 and not more than $5,000.

REFUSAL TO TESTIFY

SEC. 902. (g) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, or documents, if in his power to do so, in obedience to the subpena or lawful requirement of the Board or Administrator, shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not less than $100 nor more than $5,000, or imprisonment for not more than one year, or both.

FILING OF COMPLAINTS AUTHORIZED

SEC. 1002. (a) Any person may file with the Administrator or the Board, as to matters within their respective jurisdictions, a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provisions of this Act, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Administrator or the Board to investigate the matters complained of. Whenever the Administrator or the Board is of the opinion that any complaint does not state facts which warrant an investigation or action, such complaint may be dismissed without hearing. In the case of complaints against a member of the Armed Forces of the United States acting in the performance of his official duties, the Administrator or the Board, as the case may be, shall refer the complaint to the Secretary of the department concerned for action. The Secretary shall, within ninety days after receiving such a complaint, inform the Administrator or the Board of his disposition of the complaint, including a report as to any corrective or disciplinary actions taken.

INVESTIGATIONS ON INITIATIVE OF ADMINISTRATOR OR BOARD

SEC. 1002. (b) The Administrator or Board, with respect to matters within their respective jurisdictions, is empowered at any time to institute an investigation, on their own initiative, in any case and as to any matter or thing within their respective jurisdictions, concerning which complaint is authorized to be made to or before the Administrator or Board by any provision of this Act, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Administrator or the Board shall have the same power to proceed with any investigation instituted on their own motion as though it had been appealed to by complaint.

ENTRY OF ORDERS FOR COMPLIANCE WITH ACT

SEC. 1002. (c) If the Administrator or the Board finds, after notice and hearing, in any investigation instituted upon complaint or upon their own initiative, with respect to matters within their jurisdiction, that any person has failed to comply with any provision of this Act or any requirement established pursuant thereto, the Administrator or the Board shall issue an appropriate order to compel such person to comply therewith.

Section 03—Definitions for Purposes of This System of Accounts and Reports

Account, clearing—an account used as a medium for the temporary accumulation of costs that are redistributed to appropriate applicable accounts.

Acquisition, date of—the date on which the title to owned property or equipment (or the right to use or control the reassignment of leased property or equipment) passes to the air carrier.

Act—the Federal Aviation Act of 1958, as amended.

Addition, property—additional equipment, land, structures, and other tangible property; extensions of fuel, water, and oil distribution equipment; additions to buildings and other structures; and additional safety devices applied to equipment not previously thus equipped. (See also *Modification.*)

Affiliated group—A combination of companies comprised of the air carrier, any person controlling the air carrier or under common control with the air carrier, and organizational divisions (as defined in sections 1–6) of and persons controlled by the air carrier.

Agent, cargo—any person (other than the air carrier performing the direct air transportation or one of its bona fide regular employees or an indirect air carrier lawfully engaged in air transportation under authority conferred by any applicable part of the Economic Regulations of the Board) who for compensation or profit: (1) Solicits, obtains, receives or furnishes directly or indirectly property or consolidated shipments of property for transportation upon the aircraft of an air carrier subject to this part, or (2) procures or arranges for air transportation of property or consolidated shipments of property upon aircraft of an air carrier subject to this part by charter, lease, or any other arrangement.

Agent, ticket—any person (other than the air carrier performing the direct air transportation or one of its bona fide regular employees, or an air carrier which subcontracts the performance of charter air transportation which it has contracted to perform) who for compensation or profit: (1) Solicits, obtains, receives, or furnishes directly or indirectly passengers or groups of passengers for transportation upon the aircraft of an air carrier subject to this part, or (2) procures or arranges for air transportation of passengers or groups of passengers upon aircraft of an air carrier subject to this part by charter, lease, or any other arrangement.

Agreement—any oral or written agreement, contract, understanding, or arrangement, and any amendment, revision, modification, renewal, extension, cancellation or termination thereof.

Air carrier—any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation.

Air carrier, route—an air carrier holding a Certificate of Public Convenience and Necessity pursuant to section 401 (d) (1) or (2) of the Federal Aviation Act of 1958, as amended, authorizing it to engage in air transportation over a route, or routes, designated by the Board.

Air carrier, supplemental—an air carrier holding a certificate issued under section 401(d)(3) of the Federal Aviation Act of 1958, as amended, or a special operating authorization issued under section 417 of the Act.

Air carrier, surviving—an entity (air carrier) which, as the result of a business combination, has acquired the net assets, and carries on the operations of, one or more predecessor air carriers, and which may be newly organized at the time of the combination or may be one of the predecessor air carriers.

Aircraft—any contrivance now known or hereafter invented, used or designed for navigation of or flight in the air.

Aircraft days assigned to service—carrier's equipment—the number of days that aircraft owned or acquired through rental or lease (but not interchange) are in the possession of the reporting air carrier and are available for service on

the reporting carrier's routes plus the number of days such aircraft are in service on routes of others under interchange agreements. Includes days in overhaul, or temporarily out of service due to schedule cancellations. Excludes days that newly acquired aircraft are on hand but not available for productive use, days rented or leased to others (for other than interchange) and days in possession but formally withdrawn from air transportation service.

Aircraft days assigned to service—carrier routes—same as *aircraft days assigned to service—carrier's equipment* but excluding the number of days owned or rented equipment are in the possession of others under interchange agreements and including the number of days aircraft of others are in the possession of the air carrier under interchange agreements.

Aircraft, leased (rented)—aircraft obtained from (or furnished to) others under lease or rental arrangements. Leased and rented aircraft do not include those used under interchange agreements designed to provide one-plane service over the routes of the air carriers involved.

Aircraft type—a distinctive model as designated by the manufacturer.

Airport—a landing area regularly used by aircraft for receiving or discharging passengers or cargo.

Airport, alternate—an approved airport to which a flight may proceed if a landing at the airport to which the flight was dispatched becomes inadvisable.

Airport-to-airport distance—the great-circle distance, measured in statute miles, between airports as listed in the Book of Official C.A.B. Airlines Route Maps and Airport-to-Airport Mileages, published by Airline Tariff Publishers, Inc., from information compiled by the Civil Aeronautics Board. (See Part 247 of the Economic Regulations.)

Air transportation—the carriage by aircraft of persons, property, or mail.

Air transportation, supplemental—air transportation authorized pursuant to section 401(d)(3) or 417 of the Federal Aviation Act of 1958, as amended, or section 7 or 9 of Public Law 87-528.

Airworthiness (or Airworthy)—when applied to a particular aircraft or component part, it denotes the ability of such aircraft or component part to perform its function satisfactorily through a range of operations determined by the Federal Aviation Agency.

Allocate—to assign an item or group of items of investment, revenue, or cost to an object, activity, process, or operation, in accordance with cost responsibilities, benefits received, or other measure of apportionment.

Allocation, bases of—bases of distribution whereby revenues, expenses, and/or costs are equitably apportioned among revenue, expense, property and equipment, and other accounts.

Amortization—the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies or over the period during which it is anticipated the benefit will be realized.

Asset, contingent—an asset the existence, value, or ownership of which depend upon the occurrence or nonoccurrence of a specific event or upon the performance or nonperformance of a specified act.

Associated company—a company in which the accounting air carrier holds 5 percent or more of the outstanding proprietary interest; or a company which holds 5 percent or more of the outstanding proprietary interest of the accounting air carrier; or a company that, directly or through one or more intermediaries, controls or is controlled by, or is under common control with the accounting air carrier. Companies owned or controlled jointly with other air carriers shall be regarded as associated companies for purposes of this system of accounts. (See also *Control.*)

Betterment—any improvement to property or equipment through the substitution of superior parts for inferior parts retired, the object of which is to make such property more useful or of greater capacity than at the time of acquisition or installation. (See also *Modification.*)

Board—the Civil Aeronautics Board.

Cargo—all traffic other than passengers.

Cargo transported—cargo on board each flight stage.

Certificated point—a city, place or population center authorized to receive scheduled air service under a *Certificate of Public Convenience and Necessity* or under an exemption issued to an air carrier.

Certificate of Public Convenience and Necessity—a certificate issued to an air carrier under Section 401, of the Act, by the Civil Aeronautics Board authorizing the carrier to engage in air transportation.

Company, predecessor—an air carrier whose net assets and operations have been taken over by one or more other air carriers.

Compensation (of personnel)—remuneration to air carrier employees for personal services. Includes salaries, wages, overtime pay, cost-of-living differentials, bonuses, etc., as distinguished from per diem allowances or reimbursement for expenses incurred by personnel for the benefit of the air carrier.

Continental United States—the 48 contiguous States and the District of Columbia.

Control (including the terms *Controlling, Controlled by,* and *Under common control*)—the possession, directly or indirectly, of the power positively to direct, or cause the direction of or negate the direction of, the management and policies of a company, whether such power is through one or more intermediary companies or alone or in conjunction with or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.

Cost—the amount of cash (or its equivalent) actually paid for property, materials and supplies, and services, including that amount paid to put the property or materials and supplies in readiness for use. It includes such items as transportation charges, installation charges, and customs duties, less any cash or other discounts.

Cost, book—the amount at which an asset is recorded in an account without the deduction of amounts in related reserves or other accounts.

Cost, depreciated—the cost of property and equipment less the related reserves for depreciation.

Cost, removal—the cost of demolishing, dismantling, tearing down, or otherwise removing property and equipment, including the cost of related transportation and handling.

Debt, expense on—expenses incurred by or for the air carrier in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

Departures completed, percent scheduled—the percent of scheduled departures that were performed.

Departures completed, scheduled—the number of takeoffs performed at each airport pursuant to published schedules, exclusive of extra sections to scheduled departures.

Departure performed—a takeoff made at an airport.

Departure, scheduled—a takeoff scheduled at an airport, as set forth in published schedules.

Depreciation (of depreciable property and equipment)—the loss in service value, not restored by current maintenance, incurred in the course of service from causes known to be in current operation, against which the carrier is not protected by insurance, and the effect of which can be forecast with reasonable accuracy. The causes of depreciation include wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

Discount (of securities issued or assumed by the air carrier)—the excess of (1) the par or stated value of securities over (2) the then current money value of the consideration received from their sale less the amount included for dividends or for interest accrued.

Equipment—tangible property other than land, structures, and improvements.

Equivalent unit—a new unit substituted for an existing unit that is worn out, is damaged beyond repair, or has become inadequate in service, the sub-

stituted unit having substantially no greater capacity than the unit for which substituted.

Expense, capital stock—expenses incurred by or for the air carrier in connection with the initial issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock; including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

Express—property transported by air under published air express tariffs filed with the Civil Aeronautics Board.

Flight, developmental—a flight for (1) the development of a new route either prior or subsequent to certification by the Civil Aeronautics Board; (2) the extension of an existing route; and (3) the integration of a new type of aircraft or service.

Flight, extra section—a flight, conducted as an integral part of scheduled service, that has not been provided for in published schedules and is required for transportation of traffic that cannot be accommodated on a regularly scheduled flight. Flights made in ferrying aircraft to meet schedules, or for similar operational reasons, are not extra sections and are classified as nonrevenue flights even if an occasional shipment, as a matter of special accommodation, is on board.

Flight, ferry—a flight for the purpose of returning an aircraft to base, equipment equalization, or moving an aircraft to and from a maintenance base.

Flight, paid positioning—a flight for the purpose of positioning an empty aircraft in connection with a charter flight for which a specific charge is set forth in a tariff or contract for application directly to the positioning miles operated. Such flights are considered revenue flights for Form 41 reporting purposes.

Flight, personnel training—a flight for the purpose of obtaining flying time for flight personnel or a flight in connection with a personnel training program.

Flight stage—the operation of an aircraft from take-off to landing. For purposes of classifying flight stages as between "domestic", "territorial", and "international", technical stops are disregarded. (See stops, technical.)

Freight—property transported by air under published air freight tariffs filed with the Civil Aeronautics Board.

Group basis (in depreciation accounting)—a plan under which (1) depreciation is based upon the application of a single depreciation rate to the total book cost of all property included in a given depreciable property and equipment account or class, despite differences in service life of individual items of property and equipment, (2) the full original cost, less any salvage realized, of an item of depreciable property or equipment retired is charged to the reserve for depreciation regardless of the age of the item, and (3) no gain or loss is recognized on the retirement of individual items of property or equipment.

Horsepower, maximum continuous for reciprocating engines—the brake horsepower developed in standard atmosphere at a specified altitude and under the maximum conditions of crankshaft rotational speed and engine manifold pressure, and approved for use during periods of unrestricted duration.

Horsepower, maximum continuous for turbine engines—the brake horsepower developed at specified altitudes, atmospheric temperatures, and flight speeds and under the maximum conditions of rotor shaft rotational speed and gas temperature, and approved for use during periods of unrestricted duration.

Thrust, maximum continuous for turbine engines—the jet thrust developed at specified altitudes, atmospheric temperatures, and flight speeds and under the maximum conditions of rotor shaft rotational speed and gas temperature, and approved for use during periods of unrestricted duration.

Hours, aircraft—the airborne hours of aircraft computed from the moment an aircraft leaves the ground until it touches the ground at the end of a flight.

Hours flown, revenue aircraft—the aircraft hours of flights performed in revenue service.

Hours in capitalized projects, aircraft—aircraft hours applicable to ferrying newly acquired aircraft from the factory, to capitalized extension and development preoperating projects and to other costs which have been capitalized.

Hours per aircraft per day—carrier's equipment, revenue—average hours of productive use per day in revenue service of reporting carrier's equipment determined by dividing (1) Aircraft days assigned to service—carrier's equipment into (2) Revenue aircraft hours minus Revenue hours on other carrier's interchange equipment plus Total hours by others on the carrier's interchange equipment.

Hours per aircraft per day—carrier's routes, revenue—average hours of productive use per day in revenue service on reporting carrier's routes determined by dividing (1) Aircraft days assigned to service-carrier's routes into (2) Revenue aircraft hours.

Hours, ramp-to-ramp—the aircraft hours computed from the moment the aircraft first moves under it own power for purposes of flight, until it comes to rest at the next point of landing.

Improvement—an addition or alteration to land, a building, or a unit of equipment that results in a better piece of property, in the sense of greater durability, or in increased productivity or efficiency. (See also *Modification.*)

Insurance, self—the assumption by an air carrier of a risk of loss or liability arising from an accident or other contingent event.

Interchange agreement—an agreement under which aircraft of one air carrier are utilized to provide one-plane service over its own routes and the routes of other air carriers.

Inventory, perpetual—a book inventory kept in continuous agreement with stock on hand by means of a detailed record.

Item, delayed—an item relating to transactions that occurred during a prior accounting period and that requires further accounting treatment for a true statement of financial condition or operating results. It includes adjustments of errors in the operating revenue, operating expense, and other income accounts for prior periods.

Liability, contingent—a possible source of obligation of an air carrier dependent upon the fulfillment of conditions regarded as uncertain.

Load, available—represents the maximum salable load. It is the allowable gross weight less the empty weight, less all justifiable aircraft equipment, and less the operating load (consisting of minimum fuel load, oil, flight crew, steward's supplies, etc.). For passenger aircraft, the available load must not exceed the weight of the maximum number of passengers who can be accommodated in the seats installed in the aircraft plus the weight of the traffic that can be accommodated in the cargo space.

Load, average revenue—the average total revenue tons carried in revenue services, determined by dividing total revenue ton-miles by aircraft miles flown in revenue services.

Load, average revenue passenger—average number of revenue passengers carried in passenger services, determined by dividing revenue passenger-miles by aircraft miles flown in revenue passenger services.

Load factor, over-all revenue—the percent that total revenue ton-miles (passenger plus nonpassenger) are of available ton-miles in revenue services.

Load factor, revenue passenger—the percent that revenue passenger-miles are of available seat-miles in revenue passenger services.

Load, minimum fuel—the minimum quantity of fuel with which an aircraft may be dispatched in accordance with the safety operating needs of the air carrier.

Load, salable—(See, *Load, available.*)

Mail, nonpriority—mail moving at service transportation rates lower than those established for mail bearing postage established specifically for air mail service.

Mail, priority—mail bearing postage at rates established specifically for air mail service or mail moving at service transportation rates equivalent to those established for air mail service.

Mile—a statute mile (5,280 feet).

Miles completed, percent scheduled aircraft—the percent of scheduled aircraft miles which were performed.

Miles completed, scheduled aircraft—the aircraft miles performed on scheduled flights computed between only those scheduled points actually served.

Miles flown, aircraft—the miles (computed in airport-to-airport distances) for each flight stage actually completed, whether or not performed in accordance with the scheduled pattern. For this

purpose, operation to a flag stop is a stage completed even though a landing is not actually made. In cases where the interairport distances are inapplicable, aircraft miles flown are determined by multiplying the normal crusing speed for the aircraft type by the airborne hours.

Miles flown, nonrevenue aircraft. The aircraft miles flown on nonrevenue flights, such as ferry (including empty backhauls to MAC one-way charters), personnel training, extension and development, and abortive revenue flights.

Miles, revenue aircraft—the aircraft miles flown in revenue service.

Miles, scheduled aircraft—the sum of the airport-to-airport distances of all flights scheduled to be performed over the air carrier's certificated routes pursuant to published flight schedules. Flights listed in the published schedules for operation only as extra sections, when traffic warrants, are excluded.

Modification—an alteration in a structure or unit of equipment that changes its design and is made to correct an error, increase production, improve efficiency of operation, or for some other reason.

Obsolescence—the process of becoming out of date due to progress of the arts and sciences, changed economic conditions, legislation, etc., which ultimately results in the retirement or other disposition of property.

Off-Line—installations maintained or facilities used for other than scheduled certificated air services.

On-Line—installations maintained or faclities used in conducting scheduled certificated air services.

Operations. For purposes of reporting on Schedule T-1(a).

Domestic. Flight stages with both terminals within the 50 States of the United States and the District of Columbia.

Territorial. Flight stages with both terminals within territory under U.S. jurisdiction where at least one of the terminals is not within a State or the Dstrict of Columbia.

International—Flight stages with one or both terminals outside of territory under U.S. jurisdiction.

Operations, systems—the over-all operations of an air carrier including all of the operating entities of an air carrier having multiple operations.

Passenger-mile—one passenger transported 1 mile. Passenger-miles are computed by multiplying the aircraft miles flown on each flight stage by the number of passengers transported on that stage.

Passenger-mile, nonrevenue—one nonrevenue passenger transported one mile.

Passenger-mile, revenue—one revenue passenger transported one mile.

Passenger, nonrevenue—person receiving air transportation from the air carrier for which remuneration is not received by the air carrier. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered nonrevenue passengers. Infants for whom a token fare is charged are not counted as passengers.

Passenger, revenue—person receiving air transportation from the air carrier for which remuneration is received by the air carrier. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered nonrevenue passengers. Infants for whom a token fare is charged are not counted as passengers.

Passengers transported—passengers on board each flight stage.

Premium (as applied to securities issued or assumed by the air carrier)—the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for dividends or interest accrued, over (2) their par or stated value.

Property (as applied to traffic)—(See *Cargo.*)

Replacement—substitution of new for existing facilities that are worn out, damaged beyond repair, or have become inadequate in service.

Residual value—the predetermined portion of the cost of a unit of property or equipment excluded from depreciation. It shall represent a fair and reasonable estimate of recoverable value as at the end of the service life over which the property or equipment is depreciated and shall give due consideration to the proceeds anticipated from disposition of the property or equipment and the extent to which costs attaching to property or equipment are otherwise recoverable through charges against income.

Retirement—the permanent withdrawal of assets from services of the corporate entity through sale, abandonment, demolition, or other disposal.

Retirement, date of—the date on which property or equipment is permanently withdrawn from services of the corporate entity.

Route, certificated—The route over which an air carrier is authorized to provide air transportation by a Certificate of Public Convenience and Necessity issued by the Civil Aeronautics Board pursuant to section 401(d)(1) or (2) of the Act.

Salvage value—the amount received for property retired, less the expenses incurred in connection with the sale or in the preparation of the property for sale; or, if retained, the amount at which the material recovered is charged to materials and supplies or other appropriate account.

Schedule, published—an official schedule of an air carrier on file with the Civil Aeronautics Board.

Seats available—installed seats in an aircraft (including seats in lounges) exclusive of any seats not offered for sale to the public by the carrier; provided that in no instance shall any seat sold be excluded from the count of available seats.

Seats, average available—the average number of seats available for passengers, determined by dividing available seat-miles by revenue aircraft miles flown in passenger service.

Seat-miles available, revenue—the aircraft miles flown on each flight stage multiplied by the number of seats available for revenue use on that stage.

Segment, service—a pair of points served or scheduled to be served by a single stage of at least one flight within any given time period.

Service, charter—nonscheduled air transport service in which the party receiving transportation obtains exclusive use of an aircraft at published tariff rates and the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier.

Service, coach (tourist)—transport service specifically established for the carriage of passengers at special reduced passenger fares that are predicated on both the operation of specifically designated aircraft space and a reduction in the quality of service regularly and ordinarily provided.

Service, irregular (excluding charter and special)—nonscheduled inter-airport air transport services which do not constitute an integral part of scheduled services to certificated points, where each passenger or property shipment is individually documented at published tariff rates (other than charter rates) and the remuneration paid by each party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier.

Service, first class—transport service established for the carriage of passengers moving at either standard fares or premium fares, or at reduced fares not predicated upon the operation of specifically allocated aircraft space, and for whom standard or premium quality services are provided.

Service life—the period between the date of installation of property or equipment and its date of retirement.

Service, mixed—transport service for the carriage of both first-class and coach (tourist) passengers on the same aircraft.

Service, nonpassenger—transport service established for the carriage of traffic other than passengers.

Service, nonscheduled—includes transport service between points not covered by Certificates of Public Convenience and Necessity issued by the Civil Aeronautics Board to the air carrier; services pursuant to the charter or hiring of aircraft; other revenue services not constituting an integral part of the services performed pursuant to published schedules; and related nonrevenue flights.

Service, passenger-cargo—transport service established for the carriage of passengers which may also be used jointly for the transportation of cargo.

Service, scheduled—transport service operated over an air carrier's certificated routes pursuant to published flight schedules, including extra sections and related nonrevenue flights.

Service, special—nonscheduled air transport services in which the party receiving transportation obtains exclusive use of an aircraft at other than tariff rates and/or individually-ticketed services not involving inter-airport transpor-

tation, whereby the remuneration paid by the party receiving the transportation accrues directly to, and the responsibility for providing the service is that of the accounting air carrier.

Service, transport—the operation of facilities for the carriage of traffic by air.

Service, tourist—(See *Service, coach.*)

Services, all—the total of scheduled and nonscheduled transport services.

Stop, flag—a point on an air carrier's certificated route that is scheduled to be served only when traffic is to be picked up or discharged.

Stop, fuel—a point on an air carrier's certificated route scheduled to refuel the aircraft but not to enplane or deplane traffic.

Stops, technical. Aircraft landings made for purposes other than enplaning or deplaning traffic. For purposes of identifying reporting entities, landings made for stopover passengers are regarded as technical stops.

Subsidiary company—a company in which the accounting air carrier holds in excess of 50 percent of the voting capital stock. A foreign subsidiary company is one organized or existing under the laws of a foreign country. Subsidiary companies shall also be regarded as associated companies for purposes of this system of accounts. (See also Associated company.)

Tariff, published—a publication containing rates applicable to the transportation of persons or cargo and rules relating to or affecting such rates or transportation, filed with the Civil Aeronautics Board.

Ton—a short ton (2,000 pounds).

Ton-mile—one ton transported 1 mile. Ton-miles are computed by multiplying the aircraft miles flown on each flight stage by the number of tons transported on that stage.

Ton-mile, nonrevenue—one ton of nonrevenue traffic transported one mile.

Ton-mile, passenger—one ton of passenger weight (including all baggage) transported 1 mile. (See also *Weight, passenger.*)

Ton-mile, revenue—one ton of revenue traffic transported one mile.

Ton-miles available, revenue—the aircraft miles flown on each flight stage multiplied by the ton capacity available for use on that stage.

Traffic, enplaned—a count of the number of passengers boarding and tons of cargo loaded on an aircraft. For this purpose, passengers and cargo on aircraft entering a carrier's system on interchange flights are considered as enplaning at the interchange point; and passengers and cargo moving from one operation to another operation of the same carrier, for which separate reports are required by the Civil Aeronautics Board, are considered as enplaning at the junction point.

Traffic, deplaned—a count of the number of passengers getting off and tons of cargo unloaded from an aircraft. For this purpose, passengers and cargo on aircraft leaving a carrier's system on interchange flights are considered as deplaning at the interchange point; and passengers and cargo moving from one operation to another operation of the same carrier, for which separate reports are required by the Civil Aeronautics Board, are considered as deplaning at the junction point.

Traffic, nonrevenue—passengers and cargo transported by air for which remuneration is not received by the air carrier. Passengers (including air carrier employees) and cargo carried for token service charges are considered nonrevenue traffic.

Traffic office—a facility where air transportation is sold, and related processes of documentation and reservation confirmation are performed.

Traffic, revenue—passengers and cargo transported by air for which remuneration is received by the air carrier. Passengers (including air carrier employees) and cargo carried for token service charges are not considered revenue traffic.

Transportation, free—the carriage of any person or cargo (other than cargo owned by the air carrier) without compensation.

Unit basis (in depreciation accounting)—a plan under which depreciation expense is accrued upon the basis of the book cost of the individual item of property in relation to the service life and salvage value of the particular item.

Value, service—the difference between the book cost and the residual value of property and equipment.

Weight, allowable gross—the maximum gross weight (of the aircraft and its contents) which an aircraft is licensed to carry into the air on each flight stage.

Weight, average available—the average capacity available for revenue traffic, determined by dividing available ton-miles by aircraft miles in revenue service.

Weight, empty—the weight of the airframe, engines, propellers, and fixed equipment of an aircraft. Empty weight excludes the weight of the crew and payload, but includes the weight of all fixed ballast, unusable fuel supply, undrainable oil, total quantity of engine coolant, and total quantity of hydraulic fluid.

Weight, passenger. For the purposes of this manual, a standard weight of 200 pounds per passenger (including all baggage) is used for all civil operations and classes of service. Other weights may be prescribed in specific instances upon the initiative of the Board or upon factually supported request by an air carrier.

Section 04—Air Carrier Groupings and Standard Name Abbreviations

GROUP I ROUTE AIR CARRIERS

Name	*Abbreviation*
Aspen Airways, Inc.	Aspen.
Caribbean-Atlantic Airlines, Inc.	Caribair.
Chicago Helicopter Airways, Inc.	Chicago Helicopter.
Kodiak Airways, Inc.	Kodiak.
Los Angeles Airways, Inc.	LA Airways.
New York Airways, Inc.	NY Airways.
Reeve Aleutian Airways, Inc.	Reeve.
San Francisco & Oakland Helicopter Airlines, Inc.	SFO Helicopter.
Western Alaska Airlines, Inc.	Western Alaska.
Wien Consolidated Airlines, Inc.	Wien.

GROUP II ROUTE AIR CARRIERS

Airlift International, Inc.	Airlift.
Aloha Airlines, Inc.	Aloha.
Trans Caribbean Airways, Inc.	Trans Car.

GROUP III ROUTE AIR CARRIERS

Air West, Inc.	Air West.
Alaska Airlines, Inc.	Alaska.
Allegheny Airlines, Inc.	Allegheny.
American Airlines, Inc.	American.
Braniff Airways, Inc.	Braniff.
Continental Air Lines, Inc.	Continental.
Delta Air Lines, Inc.	Delta.
Eastern Air Lines, Inc.	Eastern.
The Flying Tiger Line Inc.	Flying Tiger.
Frontier Airlines, Inc.	Frontier.
Hawaiian Airlines, Inc.	Hawaiian.
Mohawk Airlines, Inc.	Mohawk.
National Airlines, Inc.	National.
North Central Airlines, Inc.	North Central.
Northeast Airlines, Inc.	Northeast.
Northwest Airlines, Inc.	Northwest.
Ozark Air Lines, Inc.	Ozark.
Pan American World Airways, Inc.	Pan American.
Piedmont Aviation, Inc.	Piedmont.
Seaboard World Airlines, Inc.	Seaboard.
Southern Airways, Inc.	Southern.
Texas International Airlines, Inc.	Texas.
Trans World Airlines, Inc.	Trans World.
United Air Lines, Inc.	United.
Western Air Lines, Inc.	Western.

GROUP I SUPPLEMENTAL AIR CARRIERS

Interstate Airmotive, Inc.	Interstate.
Johnson Flying Service, Inc.	Johnson.
Purdue Airlines, Inc.	Purdue.
Standard Airways, Inc.	Standard.
Vance International Airways, Inc.	Vance.

GROUP II SUPPLEMENTAL AIR CARRIERS

American Flyers Airline Corp.	American Flyers.
Capitol International Airways, Inc.	Capital.
Modern Air Transport, Inc.	Modern.
Overseas National Airways, Inc.	Overseas National.
Saturn Airways, Inc.	Saturn.
Southern Air Transport, Inc.	Southern Air Transp.
Trans International Airlines, Inc.	Trans International.
Universal Airlines, Inc.	Universal.
World Airways, Inc.	World.

GENERAL ACCOUNTING PROVISIONS

Section 1—Introduction to System of Accounts and Reports

Sec. 1–1 Applicability of system of accounts and reports.

Each route air carrier and each supplemental air carrier shall keep its books of account, records and memoranda and make reports to the Board in accordance with this system of accounts and reports. The Civil Aeronautics Board reserves the right, however, under the provisions of sections 407 and 416 of the Federal Aviation Act of 1958, as amended, to expand or otherwise modify the classes of car-

riers subject to this system of accounts and reports.

Sec. 1–2 Waivers from this system of accounts and reports.

A waiver from any provision of this system of accounts or reports may be made by the Civil Aeronautics Board upon its own initiative or upon the submission of written request therefor from any air carrier, or group of air carriers, provided that such a waiver is in the public interest and each request for waiver expressly demonstrates that: existing peculiarities or unusual circumstances warrant a departure from a prescribed procedure or technique; a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of operating results or financial condition, consistent with the principles embodied in the provisions of this system of accounts and reports; and the application of such alternative procedure will maintain or improve uniformity in substantive results as between air carriers.

Sec. 1–3 General description of system of accounts and reports.

(a) This system of accounts and reports is designed to permit limited contraction or expansion to reflect the varying needs and capacities of different air carriers without impairing basic accounting comparability as between air carriers. In its administration three air carrier groups, designated Group I, Group II, and Group III, respectively (see section 04), are established by the Civil Aeronautics Board. This grouping will be reviewed from time to time upon petition of individual air carriers or by initiative of the Civil Aeronautics Board with the view of a possible regrouping of the air carriers.

(b) Under the system of accounts prescribed, balance sheet elements are accounted for by all air carrier groups within a fixed uniform pattern of specific accounts. All profit and loss elements are accounted for within specific objective accounts established for each air carrier group resulting from dual classifications, designated for each air carrier group, which are descriptive of both basic areas of financial activity, or functional operation, and objective served. The profit and loss elements of the three air carrier groups can be reduced to broad objectives and general or functional classifications which are comparable for all air carrier groups. Both balance sheet and profit and loss accounts and account groupings are designed, in general, to embrace all activities, both air transport and other than air transport, in which the air carrier engages and provide for the separation of elements identifiable exclusively with other than air transport activities. Profit and loss elements which are recorded during the current accounting year are subclassified as between (1) those which relate to the current accounting year and adjustments of a recurrent nature applicable to prior accounting years, and (2) extraordinary items of material magnitude.

(c) In order to afford air carriers as much flexibility and freedom as possible in establishing ledger and subsidiary accounts to meet their individual needs, a minimum number of account subdivisions have been prescribed in this Uniform System of Accounts. It is intended, however, that each air carrier, in maintaining its accounting records, will provide subaccount and subsidiary account segregations of accounting elements which differ in nature of accounting characteristics, in a manner which will render individual elements readily discernible and traceable throughout the accounting system, and will provide for relating profit and loss elements to applicable balance sheet counterparts.

Sec. 1–4 System of accounts coding.

(a) A four digit control number is assigned for each balance sheet and profit and loss account. Each balance sheet account is numbered sequentially, within blocks, designating basic balance sheet classifications. The first two digits of the four digit code assigned to each profit and loss account denote a detailed area of financial activity or functional operation. The first two digits, thus assigned to each profit and loss account, are numbered sequentially within blocks, designating more general classifications of financial activity and functional operation. The second two digits assigned to profit and loss accounts denote objective classifications.

(b) A fifth digit, appended as a decimal, has been assigned for internal control by the Civil Aeronautics Board of prescribed subdivisions of the primary objective balance sheet and profit and loss classifications. A different fifth digit code number from that assigned by the Civil Aeronautics Board may be adopted for internal record keeping by the air carrier provided the prescribed subclassification of objective accounts is not impaired and the code number assigned by the Civil Aeronautics Board is employed in reporting to the Board on Form 41 Reports.

Sec. 1–5 Records.

(a) The general books of account and all books, records, and memoranda which support in any way the entries therein shall be kept in such manner as to provide at any time full information relating to any account. The entries in each account shall be supported by such detailed information as will render certain the identification of all facts essential to a verification of the nature and character of each entry and its proper classification under the prescribed Uniform System of Accounts. Registers, or other appropriate records, shall be maintained of the history and nature of each note receivable and each note payable.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records such as organization tables and charts, internal accounting manuals and revisions thereto, minute books, stock books, reports, cost distributions and other accounting work sheets, correspondence, memoranda, etc., which may constitute necessary links in developing the history of, or facts regarding, any accounting or financial transaction.

(c) All books, records and memoranda shall be preserved and filed in such manner as to readily permit the audit and examination thereof by representatives of the Civil Aeronautics Board. All books, records and memoranda shall be housed or stored in such manner as to afford protection from loss, theft, or damage by fire, flood or otherwise and no such books and records shall be destroyed or otherwise disposed of, except in conformance with Part 249 of the Economic Regulations of the Civil Aeronautics Board for the preservation of records.

Sec. 1–6 Accounting entities.

(a) Separate accounting records shall be maintained for each air transport entity for which separate reports to the Civil Aeronautics Board are required to be made by sections 21(i) or 31(h), as applicable, and for each separate corporate or organizational division of the air carrier. For purposes of this Uniform System of Accounts and Reports each nontransport venture as delineated pursuant to paragraph (b) of this section undertaken by the air carrier whether or not formally organized within a distinct organizational unit shall be treated as a separately operated organizational division.

(b) As a general rule any activity or group of activities comprising a nontransport function provided for in incidental revenue accounts 10 through 18 shall be considered a separate nontransport venture under circumstances in which either: (1) A separate corporate or legal entity has been established to perform such services, (2) the aggregate annual revenue rate, as determined in section 2–1(d), during either of the past 2 years exceeds the greater of $1 million per annum or 1 percent of the air carrier's total annual transport revenues, or (3) the aggregate annual expense rate, as determined in section 2–1(d), during either of the past 2 years exceeds the greater of $1 million or 1 percent of the carrier's total annual operating expenses: *Provided*, That nontransportation revenue service performed in-flight, interchange sales and mutual aid assistance shall be considered as incidental to the air transportation activity and accounted for accordingly, regardless of the revenue or expense standard set forth above. Other nontransport revenue services which do not meet the foregoing standards shall be also considered as incidental to the air transportation and shall be accounted for accordingly.

(c) The records for each required accounting entity shall be maintained with sufficient particularity to permit a determination that the requirements of section 2–1 have been complied with.

Sec. 1–7 Interpretation of accounts.

To the end that uniform accounting may be maintained within the prescribed system, questions involving matters of

significance which are not clearly provided for should be submitted to the Director, Bureau of Accounts and Statistics, for explanation, interpretation, or resolution.

Sec. 1–8 Address for reports and correspondence.

Reports, statements, and correspondence submitted to the Civil Aeronautics Board in accordance with or relating to instructions and requirements contained herein shall be addressed to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, the organizational unit responsible for administering the accounting and reporting functions of the Civil Aeronautics Board.

Sec. 1–9 Conversion to this system of accounts and reports.

(a) The provisions of this system of accounts and reports shall be effective as of January 1, 1957. All balance sheet account balances shall be restated as at the beginning of business January 1, 1957 to conform with the provisions of this system of accounts except as provided in this section 1–9. All necessary adjustments to conform the accounts to the new system by reason of increase or decrease in reserves, or other necessary adjustments, shall be accumulated in an appropriate clearing account and the net transferred to profit and loss classification 9700 Special Items.

(b) Any adjustments of reserves for depreciation, obsolescence of flight equipment expendable parts, uncollectible accounts or other valuations of assets, shall be applied to current and subsequent accounting periods by spreading the depreciated cost of such assets over the remaining life of the parts and assemblies shall be divided between the portion applicable to flight asset to which applicable and shall not be applied retroactively.

(c) Any reserve accumulated for obsolescence of flight equipment spare equipment expendable parts and flight equipment rotable parts and recorded in the applicable reserve accounts.

(d) Any provision of this system of accounts respecting reserves for depreciation, or other valuation of assets, shall be made applicable as at the effective date of this regulation to all assets then existing as well as to assets subsequently acquired against which the accural of reserves would be appropriate.

(e) All statements and plans required to be submitted to the Civil Aeronautics Board by this system or accounts and reports shall be filed by January 1, 1957, or with the first report filed hereunder after an air carrier becomes subject to this part. (See section 22(d) or 32(d), as applicable.)

Section 2—General Accounting Policies

Sec. 2–1 Basis of allocation between entities.

(a) The provisions of this section shall apply to each person controlling an air carrier, each person controlled by the air carrier, as well as each transport entity and organizational division of the air carrier for which separate records must be maintained pursuant to section 1–6.

(b) Each transaction shall be recorded and placed initially under accounting controls of the particular air transport entity or organizational division of the air carrier or member of an affiliated group to which directly traceable. If applicable to two or more accounting entities, a proration shall be made from the entity of original recording to other participating entities on such basis that the statements of financial condition and operating results of each entity are comparable to those of distinct legal entities. The allocations involved shall embrace all debits and credits associated with each entity and shall comply with the provisions of section 2–18, as applicable.

(c) For the purposes of this section, investments by the air carrier in resources or facilities used *in common* by the regulated air carrier activity and those nontransportation revenue services defined as separate nontransport ventures under section 1–6(b) shall not be allocated between such entities but shall be reflected in total in the appropriate accounts of the entity which predominantly uses the facility or resource. Where the entity of predominate use is a nontransport venture, the air carrier shall reflect the investment in account 1520 Advances to Nontransport Divisions.

(d) For purposes of this Uniform System of Accounts and Reports, all revenues shall be assigned to or apportioned between accounting entities on bases which will fully recognize the services provided by each entity, and expenses, or costs, shall be apportioned between accounting entities on such bases as will result: (1) With respect to "incidental" services, in the assignment thereto of proportionate direct overheads, as well as direct labor and materials, of the applicable expense functions prescribed by this system of accounts and reports, and (2) with respect to separate ventures, in the assignment thereto of proportional general and administrative overheads as well as the direct overheads, labor, and materials.

(e) In accordance with the provisions of sections 22(d) or 32(d), as applicable, each air carrier shall file a statement with the Civil Aeronautics Board which details the practices and techniques used in directly assigning and prorating revenues and expenses, or costs, in compliance with the provisions of this section.

Sec. 2–2 Distribution of revenues and expenses within entities.

(a) Revenues and expenses attributable to a single natural objective account or functional classification shall be assigned accordingly.

(b) Revenue and expense items which are common to two or more natural objective accounts shall be recorded in the objective accounts to which they predominantly relate.

(c) Expense items contributing to more than one function shall be charged to the general overhead functions to which applicable except that where only incidental contribution is made to more than a single function an item may be included in the function to which primarily related, provided such function is not distorted by including an aggregation of amounts applicable to other functions. When assignment of expense items on the basis of the primary activity to which related does not in the aggregate result in a fair presentation of the expenses applicable to each function, apportionment shall be made between functions based upon a study of the contribution to each function during a representative period.

Sec. 2–3 Transactions in foreign currencies.

(a) All accounts provided herein shall be stated in terms of United States Currency.

(b) Amounts to be entered in the accounts of this system that originate in terms of foreign currencies, shall be initially recorded in United States Currency at the rates of exchange realizable at the date of the original transaction, except as provided in paragraph (g) of this section 2–3, unless free conversion is not permitted and governmentally controlled rates are prescribed, in which case the latter rates shall be used.

(c) Current assets and liabilities shall be restated in the accounts at the end of each quarterly accounting period at rates of exchange then realizable, except as provided in paragraph (g) of this section 2–3, unless free conversion is not permitted and governmentally controlled rates are prescribed in which case the latter rates shall be used.

(d) Noncurrent assets and liabilities shall be reflected in the accounts at the freely realizable, or governmentally prescribed, rates of exchange prevailing at the date of the original transaction and shall not be revalued to reflect subsequent changes in rates of exchange, except to reflect permanent changes in value resulting from general monetary revaluations.

(e) Unrealized gains or losses developing in the course of normal routine restatements of current assets and liabilities in conformance with day-to-day fluctuations in rates of exchange shall be entered in profit and loss classification 4600 Incidental Revenues—Net. Unrealized gains or losses of a nonroutine or an abnormal character shall be entered in profit and loss classification 8100 Nonoperating Income and Expense—Net.

(f) Realized gains or losses resulting from normal routine differences between the rates at which assets and liabilities are stated in the accounts and the rates of exchange existing at the date of realization, liquidation, or settlement, shall be entered in profit and loss classification 4600 Incidental Revenues—Net. Unrealized gains or losses of a nonroutine or an abnormal character shall be entered in profit and loss classification 8100 Nonoperating Income and Expense—Net.

(g) Standard rates of exchange which are reasonably representative of currently realizable rates of exchange, or governmentally controlled rates where free conversion is not permitted, may

be used for originally recording each transaction and for quarterly restatements of current assets and current liabilities provided such standards are redetermined at least once each accounting year or oftener as may be necessary to reasonably approximate currently realizable or officially prescribed rates of exchange at the close of each calendar quarter.

(h) Provisions shall not be made by charges against income for reserves against anticipated changes in exchange rates during future accounting periods.

Sec. 2–4 Accounting period.

(a) The accounting year of each air carrier subject to this Uniform System of Accounts shall be the calendar year unless otherwise approved by the Civil Aeronautics Board.

(b) Each air carrier shall keep its financial accounts and records on a full accrual basis for each quarter so that all transactions, as nearly as may reasonably be ascertained, shall be fully reflected in the air carrier's books for the quarter in which revenues have been earned and the costs attaching to the revenues so earned in each quarter have been incurred independently of the incidence of sales or purchases and settlement with debtors or creditors.

(c) Expenditures incurred during the current accounting year which demonstrably benefit operations to be performed during subsequent accounting years to a significant extent shall be deferred and amortized to the period in which the related operations are performed when of sufficient magnitude to distort the accounting results of the year in which incurred.

(d) Expenditures charged directly or amortized to operations within one accounting year shall not be reversed in a subsequent accounting year and reamortized or charged directly against operations of subsequent years except that retroactive adjustments are permitted where necessary to conform with adjustments required by the Civil Aeronautics Board for rate making purposes provided a statement explaining the detailed adjustments is submitted for review by the Civil Aeronautics Board. (See section 22(d) or 32(d), as applicable.)

Sec. 2–5 Liability accruals.

Charges shall be made against income and accruals made for only those liabilities for which a definitely demonstrable obligation exists. Where a definite obligation has been incurred, such as for accrued vacation or dismissal compensation and the precise liability has not been determined, an estimate may be made of the currently existing liability on such actuarial or other bases as can be justified from available information, provided that balances are re-evaluated and adjusted at least once each accounting year to accurately reflect the true detriment (or cost) to the air carrier.

Sec. 2–6 Federal income tax accruals.

(a) All income taxes shall be accrued by proportionate charges or credits to income each calendar quarter in such manner as will allocate the charges for taxes, or the tax credits for losses, to the periods in which the related profits or losses respectively, are reflected. (See section 8(d)(4).)

(b) The general policy in respect to the accrual of income taxes for each accounting period will require that the air carrier take up in its accounts an amount equivalent to the actual tax liability applicable to the period as computed or estimated on the basis of income tax laws and regulations then in effect. As a general rule the accrual of income taxes on differences between income recognized for book purposes and tax purposes is prohibited. However, Federal income taxes may be deferred for material income differences associated with airworthiness reserve or self-insurance reserve provisions, depreciation allowances under provisions of section 167 and 168 of the Internal Revenue Code, and different treatments for book and tax purposes of preoperating, aircraft integration, route extension or other developmental expenses. In the event a carrier elects to follow deferred tax accounting for one or more of the foregoing income differences, it shall do so for all of such income differences, on a consistent basis both within each accounting year and as between accounting years. In effecting the accruals, records with respect to reserves for deferred taxes on income shall be maintained in accordance with the provisions of balance sheet account 2340 Deferred Federal Income Taxes.

(c) Investment tax credits shall be accounted for in accordance with the provisions of balance sheet account 2131 Accrued Federal Income Taxes.

Sec. 2–7 Delayed items.

(a) All items affecting net income, including revenue and expense adjustments, shall be recorded in the appropriate profit and loss accounts shown on the income statement, and shall not be entered directly to retained earnings.

(b) Items applicable to operations occurring prior to the current accounting year shall be included in the same accounts which would have been charged or credited if the items had not been delayed: *Provided*, That any item of extraordinary nature which is so large in amount that inclusion in the accounts for a single year would materially distort the total operating expenses or total operating revenues, as applicable, shall be included in Profit and Loss classification 9700 Special Items. Ordinary adjustments of a recurring nature shall not be considered extraordinary and shall be included in the accounts to which ordinarily applicable. For purposes of this regulation, debits or credits included in classification 9700 Special Items shall be limited to items which (1) have no particular time incidence; (2) represent revenue or expense elements being retroactively introduced into the basis used for income computation; (3) represent revenue or expense elements being retroactively eliminated from the basis used for income computation; or (4) are retroactive adjustments of Federal subsidy due to revisions of subsidy mail rates of prior periods. Examples of extraordinary items to be included in this classification, when of sufficient materiality, are: Catastrophic losses which are not a recurrent business hazard, such as from floods; the retroactive establishment or elimination of previously established reserves; and extraordinary write-offs of intangible assets which through unusual circumstances have become worthless, and adjustments resulting from refunding or premature retirement of debt. As a standard practice, an extraordinary item to be classified as special must exceed one-half of one percent of the twelve-months-to-date total operating revenues or total operating expenses depending on the nature of the item. When an item (or items) recorded in the objective accounts of a given function and relating to a single transaction does not exceed this amount but does exceed one percent of the total functional classification of which it is a part, it shall be included in the account to which ordinarily applicable and footnoted on Form 41.

(c) Items applicable to operations occurring in prior quarters of the current accounting year shall be included in the same accounts that would have been charged or credited if the items had not been delayed: *Provided*, That, when the total amount of an adjustment recorded in one or more of the regular objective accounts of a given function relating to a single transaction exceeds one percent of the twelve-months-to-date total in the applicable functional account, it shall be identified in amount and nature by quarters to which applicable, as a footnote to the CAB Form 41 income statement for the quarter in which included.

Sec. 2–8 Unaudited items.

If a transaction has occurred but the amount involved is not precisely determinable, the amount shall be estimated, included in the proper accounts and where significant noted for financial statement purposes. The carrier is not required to anticipate or disclose minor items which would not appreciably affect the results of its operations or financial position.

Sec. 2–9 Improvements, additions and betterments.

(a) As a general rule, expenditures for additions, betterments or improvements, which increase the productive capacity of units of land, property or equipment, shall be capitalized rather than charged directly against income of the period in which incurred. Expenditures of insignificant amount related to individual projects may be expensed as incurred, rather than capitalized, provided their inclusion as individual items or when aggregated for like items encompassed by a particular program, will not distort current operating results.

(b) The costs to be capitalized shall include all costs directly incurred by reason of the program together with an

allocated portion of overhead costs to the full extent overhead expenses have been responsive to the volume of capitalizable projects currently or periodically in process.

(c) When superior parts are substituted for old parts in existing units of property and equipment as an incident to normal maintenance operations where normal retirement procedures are not practicable, the excess cost of the new parts over the estimated current cost of new parts of the kind replaced shall be charged to the related property and equipment account.

Sec. 2–10 Capitalization of interest.

(a) Interest may be capitalized on funds actually committed as equipment purchase deposits or actually used to finance the construction or acquisition of operating property from the date the funds are first so employed to the date the property is ready for use: *Provided,* That the capitalization will be limited in both time and amount to the reasonable requirements for such funds and that it may include interest on funds set aside and carried in balance sheet account 1550 Special Funds—Other for a period not to exceed 6 months in advance of the date they are scheduled under a legally binding contract to be committed for payment to the manufacturer or contractor.

(b) Interest may be capitalized on funds actually employed in developmental and preoperating projects other than property acquistion and construction up to the date the related operations are initiated.

(c) In determining the amount of interest to be capitalized under the provisions of paragraphs (a) and (b) of this section 2–10, the effective interest rate shall be representative of the current rate for long-term debt of the carrier. Imputed interest at the same rate may be capitalized on equity funds whenever commitments under paragraph (a) or (b) of this section 2–10 exceed the balance of long-term debt. The amount of interest so computed shall be reduced by any interest or other earnings from such funds on deposit with or for the account of the manufacturer or contractor. With respect to funds set aside pending actual commitment, the earnings shall be computed on the basis of the average rate earned on the carrier's current or long-term investment of special funds in interest-bearing securities but not to exceed the total amount of such interest actually earned.

(d) Interest capitalized under paragraph (a) or (b) of this section 2–10 shall be charged to the balance sheet account in which the funds are carried (1550, 1689, or 1830) and credited to profit and loss subaccount 87.2 Interest Capitalized—Credit or, if imputed interest, to profit and loss subaccount 80.1 Imputed Interest Capitalized—Credit. Interest capitalized under paragraph (a) of this section shall be recorded in such a manner as to facilitate audit and, upon completion of the project, shall be transferred to subaccounts of the appropriate property balance sheet accounts as a cost of the related asset. When imputed interest is capitalized, a concurrent entry shall be recorded debiting profit and loss subaccount 80.2 Imputed Interest Deferred—Debit and crediting balance sheet account 2390 Other Deferred Credits which shall be cleared to profit and loss subaccount 80.3 Imputed Interest Deferred—Credit periodically as the amount of such interest in the asset accounts is written off.

(e) The capitalization of interest will be permitted only to the extent it is reflected in the accounts on a current basis. Furthermore, in the event that a construction project is not completed or a developmental project is not brought to fruition, any related capitalized interest shall be eliminated from the accounts by reversal of the capitalizing entries.

Sec. 2–11 Accounting for transactions in gross amounts.

(a) All assets and liabilities shall be stated in balance sheet presentations in gross values, provided that all depreciation, provisions for uncollectible accounts and other valuation reserves shall be offset against the class of asset to which related. Amounts receivable from, and amounts payable to, associated companies and other air carriers, which are normally settled on a current basis shall be stated in gross amounts receivable and gross amounts payable. Amounts receivable from, and amounts payable to, individual associated companies which are not settled on a current basis, and are not includible in current assets or current liabilities, shall be stated in net amounts receivable or payable. Receivables from particular associated companies shall not be offset against payables to other associated companies.

(b) The cost of Treasury Certificates or other tax notes, which are to be surrendered to the United States Treasury, rather than independently sold, in satisfying Federal income tax liabilities may be offset against accrued Federal income tax liabilities provided both the gross income tax liability and the value of the tax notes are reflected on the face of the balance sheet. The offset of other government securities or other assets against Federal income tax liabilities is prohibited.

Sec. 2–12 Acquisition and valuation of assets.

(a) As a general rule, all assets shall be recorded at cost to the air carrier and shall not be adjusted to reflect changes in market value. Exceptions to this rule shall be limited to the following items:

(1) Investments in subsidiary companies (as that term is defined in section 03) shall be recorded at cost (except as provided in section 5–2(c)) plus the equity in the undistributed earnings or losses of such companies since acquisition. (Investments in associated or other companies in which the air carrier holds 50 percent or less of the voting capital stock shall be recorded at cost, except as provided in section 5–2(c).)

(2) Spare parts and materials of a class for which the accrual of reserves for loss in value may not be feasible, which have been expensed from current inventories and are recovered, may be returned to inventory at estimated value with contra credit to the expense accounts initially charged. The cost (as defined in section 03, "Cost") to be recorded shall represent the cash price of the asset acquired unless otherwise specifically provided in paragraphs (b) and (c) of this section. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis, in accordance with the following provisions.

(b) Costs of assets charged against income by an air carrier shall not be reinstated through property exchanges, and again charged against income by another air carrier but shall be recorded by each successive user at the unrecovered cost of property given in exchange, adjusted by the amount of any additional cash or other consideration given or received. For purposes of this system of accounts, an exchange is defined as a transaction in which tangible property represents more than 75 percent of the fair market value of the total consideration. Capital gains or losses, as a matter of policy, will not be recognized in property exchanges. (See also section 5–3(e)(8).)

(c) The cost of properties obtained under a conditional sales contract shall be recorded as assets as at the date upon which delivery has been completed even though legal title remains in the vendor unless there is material uncertainty as to the complete consummation of the transaction.

Sec. 2–13 Establishment of reserves.

(a) Provisions for reserves covering transactions or conditions which do not diminish assets or result in demonstrable liability to the air carrier, with corresponding diminution in stockholder equity during the period over which accrued, shall not be charged against income but shall be charged directly against balance sheet account 2940 Unappropriated Retained Earnings.

(b) All reserves shall be classified in balance sheet presentations in terms of their inherent impact upon the air carrier's financial condition as either valuation of assets (offsetting the assets to which related), accrued liabilities, or appropriations of retained earnings.

(c) Provisions for self-insurance against damage to property, or other risks, may be charged against income as recurring operating expense, and credited to balance sheet account 2350 Reserve for Self-Insurance, in accordance with a plan which reflects actuarial or other reasonable measurement of risk: *Provided,* The air carrier demonstrates that the accrual rate is reasonable in terms of resulting cost level and will not, in any accounting period, inflate the operating costs above those which would

result from equivalent coverage through purchased insurance. Such provisions shall be made in accordance with the instructions for balance sheet account 2350 Reserve for Self-Insurance. No provision shall be made through income charges for a retroactive initiation or adjustment of self-insurance reserves. Such reserves shall be accumulated on a forward basis only. However, the air carrier may effect an interim segregation of retained earnings through balance sheet account 2930 Appropriations of Retained Earnings. The balance of such segregation of retained earnings is to be returned to unappropriated retained earnings upon attainment of the planned level of the self-insurance reserve, accumulated through income charges. Where risks to be borne by the air carrier are reduced or eliminated, due to substitution of purchased insurance, or otherwise, the self-insurance reserve requirements shall be redetermined. Excesses in existing reserves, of material amount, over those required to cover current risks borne by the air carrier shall be accounted for as provided in balance sheet account 2350 Reserve for Self-Insurance. Material effects upon income taxes resulting from differences as between income recognized for tax and book purposes, associated with provisions for self-insurance, shall be accounted for in accordance with the instructions for balance sheet account 2340 Deferred Federal Income Taxes. Each air carrier shall file with the Civil Aeronautics Board a statement of accounting procedures when a policy with respect to self-insurance is established. This statement shall set forth: (1) The amount of self-borne and purchased coverage, respectively, for each type of risk involving self-insurance; (2) the rates of accrual to the self-insurance reserves; (3) such other detail as may be pertinent to the plan; and (4) information necessary to establish the reasonableness of the plan in conformance with the standards prescribed by this system of accounts and reports. The rates and practices set forth in such statements shall thence forth be used by the air carrier unless notified by the Civil Aeronautics Board, in accordance with section 22(d) or 32 (d) as applicable, that they do not meet the requirements set forth in this section.

(d) Additional reserves over those prescribed in this system of accounts may be established for the purpose of equalizing or distributing expense charges between calendar quarters of each accounting year in accordance with operations performed, in the event such expenditures are part of a specific program to which the air carrier is demonstrably committed and are of sufficient magnitude to significantly distort the financial results of the current quarter if expensed directly. Each air carrier shall submit, for approval by the Civil Aeronautics Board, a plan for each such equalization reserve which shall set forth the proposed accounting and rates of accrual. Such plans shall provide for the liquidation of each expense equalization reserve at the close of each accounting year. Equalization reserves shall not be used in respect to expenditures, the distortionary fluctuations of which spread over a cycle of longer than one year. (See section 22(d) or 32(d), as applicable.)

Sec. 2–14 Depreciation and amortization.

(a) Depreciation shall be calculated by the air carrier in such manner as will prevent the charging of either excessive or inadequate expense or the accumulation of excessive or inadequate reserves, and shall be based upon a study of the air carrier's history and experience or such engineering or other information as may be available with respect to prospective future conditions and without regard to depreciation accounting practices adopted for tax purposes. Undepreciable residual values shall be established for each class of property and equipment and shall represent the fair and reasonable estimate of the recoverable value as of the end of the service life over which the property is depreciated. Depreciation chargeable against operations shall be limited to the actual costs incurred in the acquisition of the properties to which related. The cost of properties which are generally repaired and reused shall not upon retirement be charged against current operating expenses but, to the extent not written off in the form of depreciation, shall be treated as part of the capital gain or loss. The cost of properties of a type which are recurrently expended and replaced shall be charged to operating expenses as issued for use. However, the net charge to operating expense for any asset used, consumed or abandoned shall be limited to the difference between the cost incurred in acquisition and any related accrued depreciation.

(b) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement which shall clearly and completely describe for each classification of property and equipment the methods, service lives, and residual values used for computing depreciation on the different subcategories of property or equipment included therein. This statement shall be sufficiently descriptive to permit a pro forma construction of the depreciation calculation of each accounting period and shall include identification of those categories depreciated on a unit basis and those categories depreciated on a group basis, as well as the mathematical bases employed for allocating applicable costs to the different accounting periods.

Sec. 2–15 Contingent assets and contingent liabilities.

Contingent assets and contingent liabilities, except as permitted by account 2930 Appropriations of Retained Earnings, shall not be included in the body of the balance sheet but shall be explained in footnotes.

Sec. 2–16 Notes to financial statements.

All matters which are not clearly identified in the body of the financial statements but which may influence materially interpretations or conclusions which may reasonably be drawn in regard to financial condition or earnings position shall be clearly and completely stated as footnotes to the financial statements.

Sec. 2–17 Revenue accounting practices.

(a) Revenue accounting practices shall conform to the provisions of account 2160 Unearned Transportation Revenue.

(b) Physical verification of the reliability of passenger revenue accounting practices shall be made at least once each accounting year, and an analysis showing the results of such verification shall be submitted to the Board within 30 days following its completion. The analysis supporting the verification shall include:

(1) The cutoff date for the liability to be verified;

(2) The number of months after the cutoff date during which documents were examined to verify the liability;

(3) The nature of the documents which were examined for purposes of the verification;

(4) The totals for each of the various types of documents examined, on actual or sampling basis;

(5) A description of the sampling technique and conversion to totals, if sampling was employed;

(6) The amount and basis for all estimates employed in the verification; and

(7) The amount of resulting adjustments and the quarter in which such adjustments were, or are to be, made in the accounts.

(c) The amount of any adjustment shall be reported on schedule B–2 or B–2.1, as applicable, in the quarter booked in accordance with the instructions for these schedules contained in sections 23 and 33.

Sec. 2–18 Transactions between members of an affiliated group.

(a) Unless otherwise approved by the Board's Director, Bureau of Accounts and Statistics, transactions between the regulated activity of an air carrier and activities conducted by nontransport divisions or other corporate members of an affiliated group shall be recorded by the air carrier as provided in paragraphs (b) through (e) of this section 2–18.

(b) Charges for services and assets purchased by or transferred to a regulated activity of an air carrier from other activities of an affiliated group shall be recorded initially in the accounts of the regulated air carrier activity at their invoice price, if determinative from a prevailing price list held out to the general public in the normal course of business. Where the services and assets received by the regulated activity of the air carrier are not marketed by the affiliated supplier to the general public under a prevailing price list, the charges recorded by the air carrier activity for

such services and assets shall be the lower of their cost to the originating activity of the affiliated group, less all applicable valuation reserves, or their estimated fair market value. In the case of charges against income for services received, as distinguished from charges for property and equipment or other assets acquired, any difference in the amount recorded and the consideration given by the air carrier shall be entered in subaccount 88.1 Intercompany Transaction Adjustment—Credit or in subaccount 89.1 Intercompany Transaction Adjustment—Debit. In the case of property and other assets acquired, any difference between the amount recorded and the consideration given by the air carrier shall be entered in appropriate subaccounts of account 1870 Property Acquisition Adjustment, paralleling subaccount 88.1 Intercompany Transaction Adjustment—Credit and subaccount 89.1 Intercompany Transaction Adjustment—Debit, and shall be cleared to such income accounts through periodic amortization at rates coinciding with those applied to other associated assets.

(c) The cost, less all associated valuation reserve accumulations, of services and assets sold by or transferred from the regulated activity of an air carrier to other activities of an affiliated group shall be charged by the air carrier to either applicable incidental services or capital gain income accounts, as appropriate. Where such services and assets are reflected in tariffs filed with the Board or in price lists held out to the general public, the associated revenues shall be recorded at the rates, fares or charges contained therein in the appropriate incidental services, capital gains or air transport income accounts. Where no tariff or prevailing price list is applicable, the associated revenue shall be recorded at the higher of cost or estimated fair market value of the asset or service involved. Any difference between the revenue so recorded and the agreed consideration to the air carrier shall be recorded in subaccount 88.1 Intercompany Transaction Adjustment—Credit or subaccount 89.1 Intercompany Transaction Adjustment—Debit.

(d) Income taxes shall be allocated among the transport entities of the air carrier, its nontransport divisions, and members of an affiliated group. Under circumstances in which income taxes are determined on a consolidated basis by an air carrier and other members of an affiliated group, the income tax expense to be recorded by the air carrier shall be the same as would result if determined for the air carrier separately for all time periods, except that the tax effect of carryback and carry-forward operating losses, investment tax credits, or other tax credits generated by operations of the air carrier shall be recorded by the air carrier during the period in which applied in settlement of the taxes otherwise attributable to any member, or combination of members, of the affiliated group. Any difference between the income tax so recorded and the amount at which settlement is to be made shall be recorded in subaccount 88.1 Intercompany Transaction Adjustment—Credit or in subaccount 89.1 Intercompany Transaction Adjustment—Debit, as is appropriate.

(e) The principles set forth in this section 2–18 shall apply equally to corporations, proprietorships, partnerships, or other forms of business organizations.

BALANCE SHEET CLASSIFICATIONS

Section 3—Chart of Balance Sheet Accounts

Name of account	General classification	
Current assets:		
Cash	1010	
Special deposits	1030	
United States Government securities	1110	
Other temporary cash investments	1120	
Accounts receivable—U.S. Government	1220	
Accounts receivable—foreign governments	1230	
Accounts receivable—general traffic	1240	
Notes and accounts receivable—associated companies	1250	
Notes and accounts receivable—company personnel	1260	
Notes and accounts receivable—other	1280	
Reserve for uncollectible accounts	1290	
Flight equipment expendable parts	1310	
Obsolescence and deterioration reserves—expendable parts	1311	
Miscellaneous materials and supplies	1330	
Short-term prepayments	1410	
Other current assets	1420	
Investments and special funds:		
Investments in associated companies	1510	
Investments in subsidiary companies	1510.1	
Investments in other associated companies	1510.2	
Advances to nontransport divisions	1520	
Other investments and receivables	1530	
Special funds—self-insurance	1540	
Special funds—other	1550	
Property and equipment	1600–1700	
	Operating	Nonoperating
Airframes	1601	1701
Aircraft engines	1602	1702
Aircraft propellers	1603	1703
Aircraft communications and navigational equipment	1604	1704
Miscellaneous flight equipment	1606	1706
Improvements to leased flight equipment	1607	1707
Flight equipment rotable parts and assemblies	1608	1708
Airframe parts and assemblies	[1] 1608.1	[1] 1708.1
Aircraft engine parts and assemblies	[1] 1608.5	[1] 1708.5
Other parts and assemblies	[1] 1608.9	[1] 1708.9
Flight equipment	*1609*	*1709*
Reserve for depreciation—airframes	1611	1711
Reserve for depreciation—aircraft engines	1612	1712
Reserve for depreciation—aircraft propellers	1613	1713
Reserve for depreciation—aircraft communication and navigational equipment	1614	1714
Reserve for depreciation—miscellaneous flight equipment	1616	1716
Reserve for depreciation—improvements to leased flight equipment	1617	1717
Reserve for depreciation—flight equipment rotable parts and assemblies	1618	1718
Airframe parts and assemblies	[1] 1618.1	[1] 1718.1
Aircraft engine parts and assemblies	[1] 1618.5	[1] 1718.5
Other parts and assemblies	[1] 1618.9	[1] 1718.9
Reserve for depreciation—flight equipment	1619	1719
Flight equipment airworthiness reserves	[2] 1629	[2] 1729
Passenger service equipment	1630	1730
Hotel, restaurant and food service equipment	1631	1731
Ramp equipment	1632	1732
Communication and meteorological equipment	1633	1733
Maintenance and engineering equipment	1634	1734
Surface transport vehicles and equipment	1635	1735
Furniture, fixtures and office equipment	1636	1736
Storage and distribution equipment	1637	1737
Miscellaneous ground equipment	1638	1738
Buildings and other improvements	1640	1740
Maintenance buildings and improvements	1640.1	1740.1
Other buildings and improvements	1640.9	1740.9
Ground property and equipment	*1649*	*1749*
Reserve for depreciation—passenger service equipment	1650	1750
Reserve for depreciation—hotel, restaurant and food service equipment	1651	1751
Reserve for depreciation—ramp equipment	1652	1752
Reserve for depreciation—communication and meteorological equipment	1653	1753
Reserve for depreciation—maintenance and engineering equipment	1654	1754
Reserve for depreciation—surface transport vehicles and equipment	1655	1755
Reserve for depreciation—furniture, fixtures and office equipment	1656	1756
Reserve for depreciation—storage and distribution equipment	1657	1757
Reserve for depreciation—miscellaneous ground equipment	1658	1758

See footnotes at end of tables.

BALANCE SHEET CLASSIFICATIONS—Continued

Section 3—Chart of Balance Sheet Accounts—Continued

Name of account	Operating	Nonoperating
Property and equipment—Continued		
Reserve for depreciation—buildings and other improvements	1660	1760
Maintenance buildings and improvements	1660.1	1760.1
Other buildings and improvements	1660.9	1760.9
Reserves for depreciation—ground property and equipment	1669	1769
Land	1679	1779
Construction work in progress	1689	1789
	General classification	
Deferred charges:		
Long-term prepayments	1820	
Developmental and preoperating costs	1830	
Unamortized discount and expense on debt	1840	
Unamortized capital stock expense	1850	
Property acquisition adjustment	1870	
Other intangibles	1880	
Other deferred charges	1890	
Current liabilities:		
Current notes payable	2010	
Accounts payable—general	2020	
Collections as agent—traffic	2030	
Collections as agent—other	2040	
Notes and accounts payable—associated companies	2050	
Accrued personnel compensation	2110	
Accrued vacation liability	2120	
Accrued Federal income taxes	2131	
Other accrued taxes	2139	
Dividends declared	2140	
Air travel plan liability	2150	
Unearned transportation revenue	2160	
Other current liabilities	2190	
Noncurrent liabilities:		
Long-term debt	2210	
Advances from associated companies	2240	
Advances from nontransport divisions	2245	
Pension liability	2250	
Company stock purchase plan liability	2260	
Other noncurrent liabilities	2290	
Deferred credits:		
Unamortized premium on debt	2330	
Deferred Federal income taxes	2340	
Deferred investment tax credits	2345	
Reserve for self-insurance	2350	
Other deferred credits	2390	
Stockholder equity:		
Preferred stock	2820	
Common stock	2840	
Capital stock subscribed and unissued	2860	
Other paid-in capital	2890	
Premium on capital stock	2890.1	
Discount on capital stock	2890.2	
Other capital stock transactions	2890.3	
Miscellaneous paid-in capital	2890.9	
Appropriations of retained earnings	2930	
Unappropriated retained earnings	2940	
Treasury stock	2990	

[1] Prescribed for Group II and Group III air carriers only.
[2] At the option of the air carrier these accounts may be assigned numbers 2629 and 2729, respectively, for accounting purposes.

NOTE: Digits to right of decimals and italicized codes established for CAB control purposes only.

Section 4—General

(a) The balance sheet accounts are designed to show the financial condition of the air carrier as at a given date, reflecting the asset and liability balances carried forward subsequent to the closing or constructive closing of the air carrier's books of account.

(b) The balance sheet accounts prescribed in this system of accounts for each air carrier group are set forth in Section 3, Chart of Balance Sheet Accounts. The balance sheet elements to be included in each account are presented in section 6 and the balance sheet groupings to be accorded each account are set forth in section 5.

Section 5—Balance Sheet Account Groupings

Sec. 5–1 Current assets.

(a) Include in this classification all resources which may reasonably be expected to be realized in cash or sold or consumed within one year, such as unrestricted cash, those assets that are readily convertible into cash or are held for current use in operations, and current claims against others to the extent settlement is reasonably assured, except that securities of others classified in investment and special fund accounts at date of acquisition need not be reclassified until disposition thereof.

(b) Perpetual inventories of all materials, supplies, lubricating oils, motor fuels and flight equipment expendable parts shall be maintained and shall be physically verified at least annually. Any shortage, overage, shrinkage, etc., shall be adjusted by charges or credits to the appropriate expense account.

(c) Items of general current asset characteristics which are not expected to be realized or consumed within one year may be included in this classification provided the noncurrent portion is not substantial in amount and classification as a current item will not impair the significance of working capital.

Sec. 5–2 Investments and special funds.

(a) Include in this classification long-term investments in securities of others exclusive of United States Government securities, securities which are not readily marketable, funds set aside for specific purposes or involving restrictions preventing current use, contract performance deposits and other securities, receivables, or funds not available for current operations. Investments in United States Government securities shall be included in the current assets account group.

(b) Investments in associated companies in which the carrier owns 50 percent or less of the voting capital stock and investments in other than associated companies shall be recorded at cost, except as provided in paragraph (c) of this section. Investments in subsidiary companies (as that term is defined in section 03) shall be recorded at cost (except as provided in paragraph (c) plus the equity in undistributed earnings or losses since acquisition.

(c) Permanent impairment in the value of securities may be reflected through charges to profit and loss classification 8100 Nonoperating Income and Expense—Net.

Sec. 5–3 Property and equipment.

(a) All investments of the air carrier in land and units of tangible property and equipment shall be included within this general classification.

(b) The cost of properties covered by conditional sales contracts shall be recorded in the appropriate property and equipment accounts of the buyer, and removed from the property and equipment accounts of the seller, as at the date on which possession is delivered to the buyer unless there is material uncertainty as to the complete consummation of the transaction.

(c) Property obtained under an agreement for lease or lease with option to purchase, not constituting a conditional sale, shall not be recorded on the books of the lessee until actual purchase, at which time the price at actual date of purchase plus leasehold improvements shall be recorded in the appropriate property and equipment accounts.

(d) The general classification "Property and Equipment" shall be subclassified as between "Operating Property and Equipment" and "Nonoperating Property and Equipment." "Operating Property and Equipment" shall encompass items used in air transportation services and services incidental thereto. "Nonoperating Property and Equipment" shall encompass investments in property and equipment not separately accounted for within a nontransport division but assigned to other than air transportation and its incidental services, and property and equipment held for future use.

(e) Operating and nonoperating property and equipment shall be accounted for separately in accordance with the following instructions:

(1) Investment in property and equipment shall be recorded at total cost including all expenditures applicable to acquisition, other costs of a preliminary nature, costs incident to placing in position and conditioning for operations and costs of additions, betterments, improvements and modifications.

(2) The cost of additions, betterments, improvements and modifications shall

be charged to the balance sheet account in which the property or equipment to which related is carried. (See section 2-9 for applicable accounting policy.) The cost of parts and appurtenances removed, and the reserve for depreciation applicable thereto, shall be treated as for retired property and accounted for accordingly.

(3) If different classes of property and equipment chargeable to more than one property account are purchased for a single sum and the cost of each class cannot be definitely ascertained, apportionment shall be based upon the most accurate information available. If necessary, appraisals shall be made to establish the relative costs.

(4) If property and equipment is acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the Civil Aeronautics Board, the costs and related depreciation reserves as carried on the books of the predecessor company at the date of transfer shall be entered by the acquiring air carrier in the appropriate accounts prescribed for recording investments in tangible assets. Any difference between the purchase price of the property and equipment acquired and its depreciated cost at date of acquisition shall be recorded in balance sheet account 1870 Property Acquisition Adjustment. Property acquired from an associated company shall also be accounted for in accordance with this paragraph unless otherwise approved by the Board.

(5) Upon disposal by sale, retirement, abandonment, dismantling, or otherwise, of equipment depreciated on a unit basis, the air carrier shall credit the accounts in which the costs related to the property or equipment are carried with the balances thereof; charge the related depreciation reserves with the balances applicable to the property disposed of; and charge the cash proceeds of the sale or the value of salvaged material to the appropriate asset accounts. Where the sales price or salvage value less the cost of dismantling differs from the costs related to the property less accrued depreciation reserves, such difference shall be recorded in the appropriate capital gain or loss accounts.

(6) Upon disposal by sale, retirement, abandonment, dismantling, or otherwise of property or equipment depreciated on a group basis, the air carrier shall credit the account in which the property or equipment is carried, and charge the related depreciation reserve with the original cost thereof, less any salvage realized, regardless of the age of the item. No gain or loss is recognized on the retirement of individual items of property or equipment depreciated on a group basis. However, the proceeds from sales of scrapped parts and assemblies, which are accumulated and sold in lots for nominal amounts and without identification of the individual items, shall be credited to profit and loss account 18 Other Incidental Revenues.

(7) If property is retired or disposed of as a result of major accident or other casualty, the costs related to such property, less accrued depreciation reserves, shall be charged to balance sheet account 1890 Other Deferred Charges pending adjustments and settlement of insurance. The resulting profit or loss, after reflecting adjustments for insurance coverage or self-insurance, shall be recorded as a capital gain or loss or as a credit or debit to the applicable self-insurance reserve, as appropriate. If the air carrier has no option but to accept replacement by an equivalent unit, the book cost and accured depreciation reserves applicable to the unit disposed of shall be assigned to the new property or equipment. Where the air carrier has the option in settlement to select between replacement in kind and cash or its equivalent, the air carrier shall account for the property or equipment disposed of in accordance with subparagraph (5) or (6) of this section 5-3(e). Any property or equipment purchased in replacement shall be recorded pursuant to subparagraph (1) of this section 5-3(e).

(8) When property and equipment owned by the air carrier is applied as part payment of the purchase price of new property and equipment, the new property and equipment shall be recorded at its full purchase price provided an excessive allowance is not made for assets traded in, in lieu of price adjustments or discounts on the purchase price of assets acquired. The difference between the depreciated cost of assets applied as payment and the amount allowed therefor shall be treated as retirement gain or loss. When used tangible property is exchanged for other used tangible property and no other form of consideration is involved, the book cost less related depreciation reserves of the property given in exchange shall be assigned to the property received. When the consideration consists of both cash or its equivalent and tangible property, and the cash or its equivalent is less than 25 percent of the fair market value of the total consideration, the entire transaction is to be treated as an exchange of property. The cost of the properties received by each party shall be the book cost less related depreciation reserves of the properties given in exchange, plus or minus the cash, or the cash value of any other consideration, paid or received. Capital gain or loss is not to be recorded on the books of either party, except to the extent that the additional cash or other consideration received exceeds the depreciated book cost of the properties given. When the additional cash, or the cash value of other consideration, is at least 25 percent of the fair market value, the transaction shall be treated as a purchase and sale. The property received by each party shall be entered on the books at its fair market value and the net increase or decrease in asset values resulting from the transaction shall be treated as capital gain or loss.

(9) The cost of property and equipment acquired shall, upon acquisition, be recorded in the appropriate classification specifically established for such property and equipment; provided, that when operating property and equipment acquired requires conditioning or modification before placing in air transport or its incidental services, the cost thereof and related conditioning and modification costs shall be accumulated in balance sheet account 1689 Construction Work in Progress. The total accumulated cost shall be transferred to the appropriate operating property and equipment account coincidentally with the placing of the property and equipment into regular air transport or incidental services.

(10) When operating property or equipment is retired from air transportation or incidental operations and retained by the air carrier, its cost, together with applicable depreciation reserves, shall be transferred to balance sheet classification 1700 Nonoperating Property and Equipment. If property is transferred for exclusive use of nontransport divisions, the cost less related depreciation reserves shall be recorded in balance sheet account 1520 Advances to Nontransport Divisions.

(11) The air carrier shall maintain property and equipment records setting forth the description of all property and equipment recorded in balance sheet classifications 1600 and 1700 Property and Equipment. With respect to each unit or group of property or equipment, the record shall show the date of acquisition, the original cost, the cost of additions and betterments, the cost of parts retired, rates of depreciation, residual values not subject to depreciation, and the date of retirement or other disposition.

(12) Property and equipment loaned, in the custody of, or consigned to the air carrier without a purchase obligation, shall not be recorded in the same manner as similar classes or types of property purchased by the air carrier. The property and equipment accounts shall not be charged with the value of such property, and liability accounts shall not be established: *Provided, however,* That appropriate memoranda accounts may be maintained.

(13) Charges to the accounts prescribed in section 6 shall be made upon the basis of functions performed without regard to the location at which the equipment or property is installed or placed.

(14) Objective accounts shall be maintained for each class of property and equipment in accordance with the instructions set forth in section 6.

Sec. 5-4 Property and equipment depreciation and overhaul.

(a) The balance sheet classification "depreciation reserves" shall include the accumulation of all provisions for losses occurring in property and equipment from use and obsolescence. For example, it shall include reserves for depreciation established to record current lessening in service value due to wear and tear from use and the action of time and the elements, as well as losses in capacity for use or service occasioned by obsolescence, supersession, discoveries, change in popular demand, or the

requirement of public authority. Residual values and rates for accrual of depreciation shall be calculated to prevent charging excessive or inadequate expense or the accumulation of inadequate or excessive reserves.

(b) Depreciation chargeable against operations shall be calculated from the date on which a building, structure, or unit of property is placed in or contributes to regular service and shall cease on the date such property is withdrawn from service by reason of sale, retirement, abandonment, or dismantling, or when the difference between the cost and residual value shall have been charged to expense.

(c) Property for which depreciation shall not be chargeable against operations shall include (1) land owned or held in perpetuity, and (2) expenditures on uncompleted units of property and equipment during the process of construction or manufacture.

(d) Rates of depreciation and undepreciable residual values applied to each class of depreciable property and equipment shall be calculated to distribute the estimated depreciable cost to operating expense accounts and other accounts over the estimated service life of the property and equipment in such manner as will prevent the charging of either excessive or inadequate expense or the accumulation of excessive or inadequate reserves (see section 2–14(a)) and fully recognize the extent to which all expenditures attaching to property and equipment are otherwise recoverable through income charges and disposal proceeds.

(e) Adjustments in rates of depreciation occasioned by changing conditions shall be applied in accordance with the general policies set forth in section 2–14.

(f) Each air carrier shall adopt procedures of accounting for airframe and aircraft engine overhauls as will effectively result in the allocation of total maintenance expense between accounting periods in accordance with the use of airframes and aircraft engines. When overhauls are scheduled in such a manner as will produce a relatively equitable allocation of maintenance costs between accounting periods the cost of each overhaul may be expensed directly as performed. Under circumstances in which overhaul procedures are such that the direct expensing of overhaul costs will not result in an equitable allocation of total maintenance costs as between different accounting periods the air carrier shall apply, consistently with respect to all airframe and engine types for which direct expensing of overhaul costs will not effectively produce an equitable allocation of cost, the accounting procedures set forth in paragraph (g) of this section 5–4. For the purposes of this system of accounts and reports, an airframe or aircraft engine "overhaul" shall be deemed to encompass the total of those inspections or replacements of major components performed in piecemeal phases, or in one operation, as are required to be performed at specified maximum periodic intervals by the Civil Air Regulations to recertify that airframes or aircraft engines are in a completely airworthy condition. Costs which attach to the routine replacement of minor parts and servicing or inspection of airframes and aircraft engines, performed on a recurrent but not scheduled basis, or on a scheduled basis without withdrawal from line service, to maintain airframes and aircraft engines in an operating condition, shall not be considered to be "overhauls" but shall be expensed directly as ordinary recurrent maintenance. Extraordinary costs of material amounts associated with the renewal of major structural parts of airframes and aircraft engines beyond the scope of normal periodic overhauls, or which are incurred at periodic intervals approximating the depreciable service life of the airframe and aircraft engine types to which related, shall not be considered to be overhauls. Such costs shall be accounted for as restoration of assets chargeable to the related property account. The cost of components removed, together with related depreciation reserves, shall be treated as retired property and accounted for accordingly. In the event identification of the cost of the components removed is not feasible, the costs entailed in substituting components may be charged against the related depreciation reserves.

(g) The accounting procedures in this paragraph (g) shall be observed as a consistent practice with respect to all airframe or aircraft engine types for which the direct expensing of overhaul costs will not effectively produce an equitable allocation of costs between accounting periods in accordance with the use of airframes or aircraft engines:

(1) With respect to owned airframes or aircraft engines, profit and loss account 72 Flight Equipment Airworthiness Provisions shall be charged each quarterly accounting period and balance sheet account 1629 Flight Equipment Airworthiness Reserves shall be concurrently credited with recurrent provisions for all costs associated with overhauls, which are not otherwise recurrently expensed and are necessary to place overhaul costs on a full accrual basis. Separate subaccounts shall be established for recording reserves accumulated with respect to airframes and aircraft engines, respectively. That portion of the recurrent charges representing provisions for labor, materials and outside overhaul costs shall be entered in profit and loss account 5272. That portion representing provisions for maintenance burden shall be entered in profit and loss account 5372.

(2) When overhauls are performed, the related cost of labor, materials, outside overhauls, and maintenance burden shall be charged against the applicable flight equipment airworthiness reserve. Profit and loss account 5272 Flight Equipment Airworthiness Provisions shall be concurrently credited with the applicable costs of labor, materials and outside overhauls. Profit and loss account 5372 Flight Equipment Airworthiness Provisions shall be concurrently credited with the cost of applicable maintenance burden. The cost of each overhaul shall also be charged to the applicable direct maintenance and maintenance burden objective accounts as incurred and appropriate asset or liability accounts shall be concurrently credited.

(3) When improvements or betterments of either owned or leased airframes or aircraft engines are effected in conjunction with overhauls of such property, the costs related to such improvements or betterments shall be charged to the appropriate asset accounts.

(4) Provisions for overhauls of leased airframe and aircraft engines shall be charged to the applicable airworthiness provision expense accounts. To the extent the air carrier is obligated to return the property to the lessor in an overhauled condition, an appropriate subaccount of balance sheet account 2190 Other Current Liabilities or an appropriate subaccount of balance sheet account 2290 Other Noncurrent Liabilities shall be credited. Upon the performance of overhauls, the applicable costs incurred in liquidating any liability for overhaul of leased property shall be charged to the appropriate liability account. Upon settlement with the lessor, any remaining liability shall be transferred along with associated improvements and related depreciation reserves to profit and loss account 81 Capital Gains and Losses. Except as provided in this subparagraph, the accounting to be observed with respect to leased airframes and aircraft engines shall conform with those prescribed with respect to owned airframes and aircraft engines.

(5) Upon retirement of owned airframes or aircraft engines the applicable flight equipment airworthiness reserves shall be transferred, along with the cost and related depreciation reserves of the property retired, to profit and loss account 81 Capital Gains and Losses. However, under circumstances in which the air carrier does not, as a consistent practice, exclude from depreciable cost and amount equivalent to the cost of an overhaul, in addition to the normal residual value, the related flight equipment airworthiness reserve shall be transferred, upon retirement of the applicable flight equipment, to profit and loss account 72 Flight Equipment Airworthiness Provisions; the reserve so transferred shall be associated in amount with the property retired and the amount so transferred shall be clearly identified with account 72 Flight Equipment Airworthiness Provisions on CAB Form 41 Schedule B–8.

(6) Provisions for overhauls of airframes or aircraft engines may be made upon either a unit basis or a group basis. In either case, the accrual rates shall be based on representative experienced and anticipated overhaul costs per hour flown between overhauls for each airframe or aircraft engine type. The rates for new types of airframes or aircraft engines may be based upon parallel experience or upon such engineering or other information as may be available. Rates for direct costs and related maintenance burden provisions, respectively, shall be recalculated at the close

of each fiscal year, at least, and the applicable reserve or liability adjusted accordingly, on the basis of hours flown since last overhaul, by charges or credits to the applicable airworthiness provisions expense account. When reserves or liabilities for overhaul are first established the provisions for hours expired from the beginning of the overhaul cycle as of the close of the next previous fiscal year, computed on the same basis as for the current fiscal year, shall be charged to the applicable airworthiness provisions expense account. When material amounts are involved, profit and loss account 96 Special Income Credits and Debits (Net) shall be charged.

(7) Material effects upon income taxes resulting from differences as between income recognized for tax and book purposes, associated with accruals to airframe or aircraft engine airworthiness reserves, shall be accounted for in accordance with the instructions for balance sheet account 2340 Deferred Federal Income Taxes.

(8) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement fully describing its plans of accounting for airframe and aircraft engine overhauls. The required statement shall indicate for each airframe and aircraft engine type whether the costs of overhauls related thereto are, as a matter of consistent practice, expensed directly or accounted for on an accrual basis. If expensed directly, the statement shall include a factual demonstration that such accounting practice results in an equitable apportionment of costs between different accounting periods in accordance with the use of airframes or aircraft engines and does not produce periodic peaks in maintenance costs in one accounting year which are properly applicable to operations performed in other accounting years. If accounted for on an accrual basis, the statement shall indicate separately the rates at which the direct cost and maintenance burden provisions are being accumulated; whether provisions are effective on a unit basis or a group basis; the hours over which reserves or liabilities are being accumulated; and whether differences in income tax expenses associated with differences in financial accounting and tax practices for overhaul are deferred as a consistent practice. The statement shall also provide a factual demonstration of the overhaul cost and hours realized between overhauls over previous representative periods or other factors upon which the rates are based.

Sec. 5–5 Deferred charges.

(a) Include in this classification all debit balances in general clearing accounts including charges held in suspense pending receipt of information necessary for final disposition, prepayments chargeable against operations over a period of years, capitalized expenditures of an organizational or developmental character, property acquisition adjustments, and the cost of patents, copyrights and miscellaneous intangibles.

(b) Deferred charges having a definite time incidence shall be amortized over the periods to which they apply. When property acquisition adjustments, developmental and preoperating costs, and other intangibles are capitalized, each air carrier shall file a statement of accounting procedures, setting forth a description of the items capitalized and the monthly rates at which it proposes to amortize such costs. (See sec. 22(d) or 32(d), as applicable.)

Sec. 5–6 Current liabilities.

Include in this classification all debts or obligations the liquidation or payment of which is reasonably expected to require the use, within one year, of existing resources of a type which are properly classifiable as current assets, or the creation of other current liabilities. Current liabilities shall include payables incurred in the acquisition of materials, collections received in advance of performance of services, debts accruing from expenses incurred from operations and other liabilities that are regularly and ordinarily subject to current liquidation.

Sec. 5–7 Noncurrent liabilities.

(a) This classification shall include all debts or obligations the liquidation or payment of which is not reasonably expected to require the use within one year of existing resources of a type which are properly classifiable as current assets, or the creation of current liabilities. Noncurrent liabilities shall include mortgages, bonds and debentures maturing more than one year from the date of the balance sheet and other obligations not payable within 12 months. It shall reflect the principal amount or par value of debt securities issued or other long-term debt assumed by the air carrier. Discount and expense on long-term debt shall be recorded in the Deferred Charges balance sheet group. Premiums on long-term debt shall be recorded in the Deferred Credits balance sheet account group.

(b) In cases where debt coming due within 12 months is to be refunded, or where payment is to be made from assets of a type not properly classifiable as current, the amount payable shall not be removed from this classification.

(c) Gains or losses on liquidation of bonds, debentures or other debt securities of the air carrier shall be entered in profit and loss classification 8100 Nonoperating Income and Expense—Net Gains and losses or adjustments to liabilities accrued from expenses incurred in operations shall be entered in the expense accounts initially charged.

Sec. 5–8 Deferred credits.

(a) Include in this classification all credit balances in general clearing accounts including credits held in suspense pending receipt of information necessary for final disposition and premiums on long-term debt securities of the air carrier.

(b) Deferred credits having a definite time incidence shall be amortized over the periods to which they apply.

Sec. 5–9 Stockholder equity.

(a) This general classification shall include all items which record the aggregate interests of holders of the air carrier's stock in assets owned by the air carrier.

(b) The general classification "Stockholder Equity", shall be subdivided between that portion representing direct contributions of the stockholders, or "Paid-In Capital", that portion representing income retained from the operation of the air carrier, or "Retained Earnings", and that portion, "Treasury Stock", representing the cost to the air carrier of capital stock issued by the air carrier which has been reacquired and is held for disposition.

(c) The "Paid-In Capital" classification shall be subdivided between "Capital Stock", which shall include the par or stated value of capital stock issued or the cash value of the consideration actually received in case of stock having no par or stated value, and "Other Paid-In Capital", which shall include the excess (premium) or deficiency (discount) of the cash value of the consideration received from the issue of any capital stock having par or stated value, donations by stockholders, adjustments of capital resulting from reorganization or recapitalization, and gains or losses from reacquisition and resale or retirement of the air carrier's capital stock.

(d) The records supporting the entries in the accounts included in the "Other Paid-In Capital" balance sheet classification shall be maintained with sufficient particularity to identify amounts applicable to each series and class of stock affected.

(e) Discount applicable to a particular class or series of capital stock shall not be offset against premiums applicable to another class or series of capital stock. At the option of the air carrier discount applicable to a particular class or series of stock may be offset against premiums related to that class or series of stock.

(f) Gains or losses arising from the reacquisition and resale or retirement of the air carrier's capital stock shall be credited or debited, as appropriate, to that portion of "Other Paid-In Capital" which relates to the particular series and class of capital stock resold or retired.

(g) The "Retained Earnings" balance sheet classification shall reflect the balance of net profits, income, and gains of the air carrier from the date of incorporation after deducting losses, and distributions to stockholders. In cases where a deficit has been absorbed by a reduction of "Other Paid-In Capital" as a result of a restatement of capital stock or retained earnings, a new retained earnings account shall be established, dated to show that it runs from the effective date of the restatement and this dating shall be disclosed in financial statements until such time as the effective date no longer possesses special significance.

Section 6—Objective Classification of Balance Sheet Elements

CURRENT ASSETS

1010 Cash.

(a) Record here all general and working funds available on demand as of the date of the balance sheet which are not formally restricted or earmarked for specific objectives. Funds deposited for special purposes which are to be satisfied within one year shall be included in account 1030 Special Deposits and funds restricted as to general availability, which are not offset by current liabilities, shall be included in account 1550 Special Funds—Other.

(b) Each air carrier shall subdivide this account in such manner that the balance can be readily segregated as between balances in United States currency and the balances in each foreign currency.

1030 Special Deposits.

Record here funds or securities deposited with fiscal agents or others for payment of current obligations. Deposits for more than one year, not offset by current liabilities, shall not be included in this account but in account 1550 Special Funds—Other.

1110 United States Government Securities.

Record here the cost of United States Government securities. This account shall be charged or credited for discount or premium to be amortized to profit and loss account 83 Interest Income.

1120 Other Temporary Cash Investments.

Record here the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, other than those issued by the United States Government or associated companies. This account shall be charged or credited for discount or premium to be amortized to profit and loss account 83 Interest Income.

1220 Accounts Receivable—U.S. Government.

Record here amounts due on open account with the United States Government. The balances in this account shall be maintained in such fashion as will clearly and separately identify service mail pay receivables, subsidy receivables and other than mail transportation receivables.

1230 Accounts Receivable—Foreign Governments.

Record here amounts due on open account with foreign governments.

1240 Accounts Receivable—General Traffic.

(a) Record here amounts due for the performance of air transportation, except those due from the United States and foreign governments and associated companies, includible in balance sheet accounts 1220 Accounts Receivable—U.S. Government, 1230 Accounts Receivable—Foreign Governments, and 1250 Notes and Accounts Receivable—Associated Companies. This account shall include gross amounts due whether settled through airline clearing houses or with individual carriers.

(b) Amounts payable, includible in account 2030 Collections as Agent—Traffic shall not be credited to this account.

1250 Notes and Accounts Receivable—Associated Companies.

Record here gross amounts due from associated companies including traffic accounts receivable, which are settled currently. Balances payable to associated companies shall not be offset against amounts carried in this account. Balances with associated companies which are not normally settled currently shall not be included in this account but in balance sheet account 1510 Investments in Associated Companies.

1260 Notes and Accounts Receivable—Company Personnel.

Record here amounts due from officers and employees of the air carrier.

1280 Notes and Accounts Receivable—Other.

Record here notes receivable and accounts due from others, which are to be settled currently, not provided for in accounts 1220 to 1260, inclusive.

1290 Reserve for Uncollectible Accounts.

(a) Record here accruals for estimated losses from uncollectible accounts.

(b) All accounts against which reserves have been established shall be examined at least annually for the purpose of redetermining the basis of accruals to be applied to subsequent accounting periods and the reasonableness of reserves already provided.

1310 Flight Equipment Expendable Parts.

(a) Record here the cost of flight equipment replacement parts of a type which ordinarily would be recurrently expended and replaced rather than repaired and reused. The cost of rotable parts and assemblies of material value which ordinarily are repaired and reused and possess a service life approximating that of the primary property types to which related shall not be recorded in this account but in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies. For purposes of identifying rotable parts and assemblies of insignificant unit value which may be included in this account, a reasonable maximum unit value limitation may be established.

(b) Costs paid by the air carrier such as transportation charges and customs duties; excise, sales, use and other taxes; special insurance; and other charges applicable to the cost of flight equipment expendable parts shall be charged to this account when they can be definitely allocated to specific items or units of property. If such costs cannot be so allocated, or if of minor significance in relation to the cost of such property, the amounts thereof may be charged to balance sheet account 1890 Other Deferred Charges, and cleared either by a suitable "loading charge" as the parts are used or by current charges to appropriate expense or property accounts: *Provided*, That the method of application does not cause material distortion in operating expenses from one accounting period to another.

(c) Reusable parts recovered in connection with construction, maintenance, or retirement of property and equipment shall be included in this account at fair and reasonable values but in no case shall such values exceed original cost. Recoveries of normally repairable and reusable parts of a type for which losses in value may be covered on a practical basis through valuation reserve provisions shall be included in this account on an original cost basis. Scrap and nonusable parts, expensed from this account and recovered, shall be included at net amounts realizable therefrom with contra credit to the expense accounts initially charged.

(d) Any losses sustained or gains realized upon the abandonment or other disposition of flight equipment expendable parts shall be taken up as capital gains or losses in the periods in which sustained or realized. (See balance sheet account 1311.)

(e) Items in this account shall be charged to appropriate expense accounts as issued for use. Profit and loss on sales of inventory items as a routine service to others shall be included in profit and loss accounts 14 General Service Sales—Associated Companies, or 16 General Service Sales—Outside, and the parts sold shall be removed from this account at full cost.

(f) Subaccounts shall be established within this account for the separate recording of each class or type of flight equipment expendable repair parts.

1311 Obsolescence and Deterioration Reserves—Expendable Parts.

(a) Accruals shall be made to this account when reserves are established for losses in the value of expendable parts. The accruals to this account shall be made by charges to profit and loss account 73 Provisions for Obsolescence and Deterioration—Expendable Parts. Records shall be maintained in sufficient detail to permit association of the reserves with each class or type of expendable parts.

(b) The accruals to this account shall be based upon a predetermination by the air carrier of that portion of the total inventory of each class and type of expendable parts against which a reserve for loss is to be accrued. Expendable parts issued for use in operations shall be charged to operating expenses as issued and shall not be charged to this account. If at the end of any calendar year the amount of the reserve exceeds the product of the applicable inventory for the year determined consistently on a year-end or average basis, and the sum of the standard percentage accrual rates for all prior years including the current, the reserve shall be adjusted downward by the amount of the excess. Such adjustments shall be charged to this ac-

count and credited to profit and loss account 73 Provisions for Obsolescence and Deterioration—Expendable Parts.

(c) Where changing conditions necessitate a revision or adjustment in rates of accrual, such revision or adjustment shall be made applicable to current and subsequent accounting periods and shall not be applied retroactively to prior accounting periods. Following retirement of airframe or aircraft engine types to which related, any balance remaining in this account shall be offset against related balances carried in balance sheet account 1310 Flight Equipment Expendable Parts and the net cleared to profit and loss account 81 Capital Gains and Losses.

(d) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement fully describing its plans of accounting for reserves for obsolescence and deterioration of expendable parts. The required statement shall indicate for each class or type of parts the predetermined level of the inventory against which a reserve is being accrued and shall fully explain the bases of the estimated losses and the rate of reserve accrual.

1330 Miscellaneous Materials and Supplies.

(a) Record here the cost of unissued and unapplied materials and supplies, including motor fuels and lubricating oils, held in stock such as unissued shop materials, expendable tools, stationery and office supplies, passenger service supplies, and restaurant and food service supplies.

(b) This account shall not include flight equipment replacement parts. Such items shall be recorded, as appropriate, in balance sheet account 1310 Flight Equipment Expendable Parts or 1608 Flight Equipment Rotable Parts and Assemblies.

(c) Materials and supplies held in small supply and purchased currently may be charged to appropriate expense accounts when purchased. Costs paid by the air carrier such as transportation charges and customs duties; excise, sales, use and other taxes; special insurance; and other charges applicable to the cost of materials and supplies shall be charged to this account when they can be definitely allocated to specific items or units of property. If such costs cannot be allocated, or if of minor significance in relation to the cost of such property, the amounts thereof may be charged to balance sheet account 1890 Other Deferred Charges, and cleared either by a suitable "loading charge" as the parts are used or by current charges to appropriate expense or property accounts: *Provided*, That the method of application does not cause material distortion in operating expenses from one accounting period to another.

(d) Reusable materials and supplies recovered in connection with the construction, maintenance, or retirement of property and equipment shall be included in this account at fair and reasonable values but in no case shall such values exceed original cost. Scrap and nonusable materials and supplies, expensed from this account and recovered, shall be included at net amounts realizable therefrom with contra credit to the expense accounts initially charged.

(e) A reserve for inventory adjustment applicable to materials and supplies is prohibited. Items in this account shall be charged to appropriate expense accounts as issued for use. Profit and loss on sales of inventory items as a routine service to others shall be included in profit and loss account 14 General Service Sales—Associated Companies or 16 General Service Sales—Outside.

(f) Subaccounts shall be established within this account for the separate recording of each class or type of miscellaneous materials and supplies.

1410 Short-Term Prepayments.

Record here prepayments of obligations which if not paid in advance would require the expenditure of working capital within one year, such as prepaid rent, insurance, taxes, interest, etc. Unexpired insurance and miscellaneous prepayments applicable to periods extending beyond one year where significant in amount shall be charged to balance sheet account 1820 Long-Term Prepayments.

1420 Other Current Assets.

Record here current assets not provided for in balance sheet accounts 1010 to 1410, inclusive.

INVESTMENTS AND SPECIAL FUNDS

1510 Investments in Associated Companies.

(a) Record here net investments in associated companies together with advances, loans, and other amounts not settled currently. Balances receivable from and payable to different associated companies shall not be offset.

(b) This account shall be subdivided by all air carrier groups as follows:

1510.1 Investments in Subsidiary Companies.

Record here the cost of investments in subsidiary companies (except as provided in section 5–2(c)) plus the equity in undistributed earnings or losses since acquisition. In the event dividends are declared by such companies, the air carrier shall credit this account for its share in dividends declared and debit balance sheet account 1250 Notes and Accounts Receivable-Associated Companies. This account shall separately state: (a) The cost of such investments at date of acquisition and (b) the equity in undistributed earnings or losses since aquisition. Such accounting method shall not apply to investments in nontransport foreign subsidiary companies.

1510.2 Investments in Other Associated Companies.

(a) Record here the cost of investments in associated companies other than subsidiary companies. Cost shall represent the amount paid at date of acquisition without regard to subseqeunt changes in the nets assets through earnings or losses of such associated companies, except as provided in section 5–2(c).

(b) In accordance with the provisions of section 22(d) or 32(d), as applicable, a statement shall be filed with the Civil Aeronautics Board which fully explains the procedures for accounting for investments in subsidiary and other associated companies, including change in status from associated to subsidiary company, or vice versa.

1520 Advances to Nontransport Divisions.

(a) Record here investments in and advances (including amounts due on open accounts) to nontransport divisions for which separate records and books of account are maintained.

(b) Three subaccounts shall be maintained for each nontransport division: (1) net investment; (2) current net profit or loss; and (3) current accounts receivable or payable between the air carrier and the nontransport division.

(c) Each nontransport division shall be accounted for separately in net amounts receivable which shall be included in this account or net amounts payable which shall be included in balance sheet account 2245 Advances From Nontransport Divisions.

1530 Other Investments and Receivables.

Record here notes and accounts receivable not due within one year and investments in securities issued by others. Securities held as temporary cash investments shall not be included in this account but in either balance sheet account 1110 United States Government Securities or 1120 Other Temporary Cash Investments as appropriate. Investments in and receivables from associated companies which are not settled currently shall be included in balance sheet account 1510 Investments in Associated Companies.

1540 Special Funds—Self-Insurance.

Record here funds segregated as part of a plan for the operation of a reserve for self-insurance.

1550 Special Funds—Other.

Record here special funds not of a current nature and restricted as to general availability, except funds for uninsured losses. Include items such as sinking funds, cash and securities posted with courts of law, employee's funds for purchase of capital stock, pension funds under the control of the air carrier and equipment purchase funds. Funds for uninsured losses shall be included in balance sheet account 1540 Special Funds—Self-Insurance.

OPERATING PROPERTY AND EQUIPMENT

1601 Airframes.

(a) Record here the total cost to the air carrier of airframes of all types and classes, as provided in section 5–3, together with the full complement of instruments, appurtenances and fixtures comprising complete airframes including accessories necessary to the installation of engines and flight control and transmission systems, except as specifically provided otherwise in accounts

1602 to 1607, inclusive and excluding main and tail rotor heads of rotary wing aircraft.

(b) Airframes designed to permit multiple payload configurations shall be recorded in this account at the total cost of the maximum complement of instruments, appurtenances and fixtures used in the air carrier's operations.

1602 Aircraft Engines.

Record here the total cost to the air carrier of complete units of aircraft engines of all types and classes, as provided in section 5–3, together with a full complement of accessories, appurtenances, parts and fixtures comprising fully assembled engines as delivered by the engine manufacturer ready for operation in test but without the accessories necessary to its installation in airframes.

1603 Aircraft Propellers.

Record here the total cost to the air carrier of installed aircraft propellers and rotary wing aircraft rotors, and other similar assemblies, of all types and classes, pursuant to section 5–3. Values recorded in this account shall not be changed with the substitution of parts and assemblies except as provided by section 5–3(e)(2).

1604 Aircraft Communications and Navigational Equipment.

Record here the total cost to the air carrier of installed airborne communications and electronic navigational equipment, and other similar assemblies, of all types and classes pursuant to section 5–3. Values recorded in this account shall not be changed with the substitution of parts and assemblies except as provided by section 5–3(e)(2).

1606 Miscellaneous Flight Equipment.

Record here the total cost to the air carrier of complete units of miscellaneous airborne flight equipment of all types and classes, not otherwise provided for in accounts 1601 through 1604, inclusive, as provided in section 5–3, such as miscellaneous flight crew equipment, life rafts, etc.

1607 Improvements to Leased Flight Equipment.

Record here the total cost to the air carrier incurred in connection with modification, conversion or other improvements to leased flight equipment, as provided in section 5–3.

1608 Flight Equipment Rotable Parts and Assemblies.

(a) Record here the total cost to the air carrier of all spare instruments, parts, appurtenances and subassemblies related to the primary components of flight equipment units provided for in balance sheet accounts 1601 through 1607, inclusive, as provided in section 5–3. This account shall include all parts and assemblies of material value which are rotable in nature, are generally reservviced or repaired, are used repeatedly and possess a service life approximating that of the property type to which they relate. Items of an expendable nature which generally may not be repaired and reused, shall not be recorded in this account but in account 1310 Flight Equipment Expendable Parts. Except for recurrent service sales, flight equipment parts recorded in this account shall be accounted for in accordance with the instructions related to property and equipment generally and shall not be charged to operating expense as retired. Profit or loss on sales of parts as a routine service to others shall be included in profit and loss account 14 General Service Sales—Associated Companies, or 16 General Service Sales—Outside, and parts sold shall be removed from this account at full cost irrespective of any reserve for depreciation which has been provided.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

1608.1 Airframe Parts and Assemblies.
1608.5 Aircraft Engine Parts and Assemblies.
1608.9 Other Parts and Assemblies.

1609 Flight Equipment.

This classification is established only for purposes of control by the Civil Aeronautics Board and shall reflect the total cost of property and equipment of all types and classes used in the in-flight operations of aircraft.

1619 Reserve for Depreciation—Flight Equipment.

(a) Record in accounts 1611 through 1618, inclusive, accruals for depreciation of flight equipment as provided in section 5–4.

(b) As set forth in section 3, Chart of Balance Sheet Accounts, separate accounts shall be established for depreciation reserves to parallel balance sheet accounts 1601 through 1608 established for recording the cost of flight equipment.

1629 Flight Equipment Airworthiness Reserves.

(a) Record here accumulated provisions for overhauls of flight equipment as provided in section 5–4 (f) and (g).

(b) Separate subaccounts shall be established for recording accumulated provisions related to each type of airframe and aircraft engine, respectively.

NOTE: At the option of the air carrier the number "2629" may be assigned to this account for accounting purposes. However, for purposes of reporting on CAB Form 41, the balance in this account shall be reported under account "1629".

1630 Passenger Service Equipment.

Record here the total cost to the air carrier of full complements of equipment assigned to aircraft or active line operations as opposed to items held in stock for servicing passengers, as provided in section 5–3, such as broilers, bettleware, dishes, food boxes, thermos jugs, blankets, first aid kits, etc. Spare items shall be carried in balance sheet account 1330 Miscellaneous Materials and Supplies and shall be charged directly to expense upon withdrawal from stock for replacing original complements.

1631 Hotel, Restaurant and Food Service Equipment.

Record here the total cost to the air carrier of all types and classes of equipment used in restaurants and kitchens, as provided in section 5–3.

1632 Ramp Equipment.

Record here the total cost to the air carrier of equipment of all types and classes, as provided in section 5–3, used in enplaning and handling traffic and in handling aircraft while on ramps, including motorized vehicles used in ramp service. Classes of equipment used interchangeably between handling aircraft on ramps and in maintaining aircraft may be classified in accordance with normal predominant use.

1633 Communication and Meteorological Equipment.

Record here the total cost to the air carrier of non-airborne equipment of all types and classes, as provided in section 5–3, used in meteorological and communication services which is not a part of buildings.

1634 Maintenance and Engineering Equipment.

Record here the total cost to the air carrier of equipment of all types and classes, as provided in section 5–3, including motorized vehicles used in engineering and drafting services and in maintaining, overhauling, repairing and testing other classes of property and equipment. Classes of equipment used interchangeably between handling aircraft on ramps and in maintaining aircraft may be classified in accordance with normal predominant use.

1635 Surface Transport Vehicles and Equipment.

Record here the total cost to the air carrier of property and equipment of all types and classes, as provided in section 5–3, used in ground and marine transportation services. This account shall not include motorized vehicles or equipment used primarily in loading and servicing aircraft or in maintaining aircraft, which motorized vehicles or equipment shall be classified in accordance with predominant use.

1636 Furniture, Fixtures and Office Equipment.

Record here the total cost to the air carrier of furniture, fixtures and office equipment of all types and classes, wherever used or located, as provided in section 5–3.

1637 Storage and Distribution Equipment.

Record here the total cost to the air carrier of property and equipment of all types and classes, as provided in section 5–3, used in storing and distributing fuel, oil and water, such as fueling trucks, tanks, pipe lines, etc.

1638 Miscellaneous Ground Equipment.

Record here the total cost to the air carrier of ground equipment of all types and classes, as provided in section 5–3 (not provided for in balance sheet

accounts 1630 through 1637, inclusive) such as medical, photographic, and employee's training equipment, and airport and airway lighting equipment.

1640 Buildings and Other Improvements.

Record here the total cost to the air carrier of buildings, structures and equipment and related improvements, both owned and leased, as provided in section 5–3. Each air carrier shall maintain the following subaccounts in which the values fairly assignable to maintenance and other operations shall be separately recorded:

1640.1 Maintenance Buildings and Improvements.
1640.9 Other Buildings and Improvements.

1649 Ground Property and Equipment.

This classification is established only for purposes of control by the Civil Aeronautics Board and shall reflect the total cost of property and equipment of all types and classes other than flight equipment, land, and work in progress.

1669 Reserves for Depreciation—Ground Property and Equipment.

(a) Record in accounts 1650 through 1660, inclusive, accruals for depreciation of ground property and equipment as provided in section 5–4.

(b) As set forth in section 3, Chart of Balance Sheet Accounts, separate accounts shall be established for depreciation reserves which parallel balance sheet accounts 1630 through 1640, established for recording the cost of ground property and equipment.

1679 Land.

Record here the initial cost and the cost of improving land, as provided in section 5–3.

1689 Construction Work in Progress.

(a) Record here the direct and indirect costs to the air carrier accumulated to the date of the balance sheet in connection with constructing and readying for installation in operations, for property and equipment of all types and classes as provided in section 5–3. Where properly includible in the property and equipment classification, record here also the accumulated costs for uncompleted overhauls of airframes, aircraft engines, or other material units of property.

(b) At the option of the air carrier this account may be used as a clearing account for recording the cost of property and equipment acquisitions prior to a distribution thereof to the appropriate property accounts, whether or not conditioning or modification is necessary before placing in service.

NONOPERATING PROPERTY AND EQUIPMENT

1700 Nonoperating Property and Equipment.

The total cost to the air carrier of nonoperating property and equipment and related reserves for depreciation shall be recorded in balance sheet accounts 1701 through 1789 which, as set forth in section 3, Chart of Balance Sheet Accounts, parallel those established above, balance sheet accounts 1601 through 1689, for recording the cost of operating property and equipment.

DEFERRED CHARGES

1820 Long-Term Prepayments.

Record here prepayments of obligations applicable to periods extending beyond one year such as payments on leased property and equipment and other payments and advances for rents, rights or other privileges.

1830 Developmental and Preoperating Costs.

(a) Record here costs accumulated and deferred by the air carrier pertaining to the development of new routes or extension of existing routes, preparation for operation of new routes subsequent to certification by the Civil Aeronautics Board, the integration of new types of aircraft or services, and other preparations for substantial alterations in operational characteristics.

(b) Costs chargeable to this account shall include items directly related to each specific developmental or preoperating project, such as travel and incidental expenses, legal expenses, flight crew training expenses, and regulatory proceedings expenses. Expenses which would be otherwise incurred in the normal air transport operations conducted by the air carrier during the current accounting period shall not be allocated to developmental or preoperating projects and charged to this account. Nor shall this account be credited for revenues from aircraft flights of a developmental or preoperating character the operating costs of which are charged to this account. Any such revenues shall be included in the profit and loss account for the respective type of revenue. This account shall include charges for only those costs associated with projects directed at obtaining new operating authority or expanding the physical capacity of the air carrier and shall not include costs incurred for the purpose of generating revenues through rate adjustment. Accordingly, costs associated with regulatory proceedings involving route awards or amendments, whether successful or unsuccessful to the carrier, shall be included in this account whereas costs associated with regulatory proceedings involving rate or other revenue generation matters shall be charged to appropriate expense accounts.

(c) Records shall be established for new routes or extensions of existing routes to record separately: (1) Costs incurred in acquiring or applying for the routes, including all costs incurred prior to certification by the Board and inauguration of service by the air carrier, and (2) costs incurred after revenue operations begin over the new routes or extensions.

(d) Subclassifications shall be established to record for each developmental project the period covered and the purpose of each item of expense. Each air carrier shall classify the costs of all projects included in this account between: (1) Those related and contributing to the normal air transportation services currently conducted by the air carrier; (2) those related to services conducted by the air carrier which are extraneous to or are not otherwise related to the air transporation services currently conducted; and (3) those held in suspense pending status determination in terms of possible contribution to the air transportation services and inauguration of the service or operation to which related.

(e) Amounts included in this account which contribute to or protect the position of the normal air transportation services currently conducted by the carrier shall be amortized to profit and loss account 74 Amortization, unless otherwise approved or directed by the Civil Aeronautics Board. Other amounts included in this account shall be amortized or charged to profit and loss account 89 Miscellaneous Nonoperating Debits.

1840 Unamortized Discount and Expense on Debt.

(a) Record here the excess of the par value of debt securities issued over the cash value of consideration received therefor, exclusive of accrued interest, together with expenses related to the assumption by the air carrier of debt of all types and classes.

(b) Amounts recorded in this account shall be amortized to profit and loss account 87 Interest Expense. Discount and expense on short-term debt may be charged directly to profit and loss account 87 Interest Expense.

1850 Unamortized Capital Stock Expense.

Record here, in separate subdivisions for each class and series of capital stock, all commissions and expenses incurred in the original issuance and sale of capital stock. The air carrier may amortize the balance in this account to profit and loss account 89 Miscellaneous Nonoperating Debits. The air carrier may, at its option, record expenses incurred in the issurance of capital stock in balance sheet account 2890 Other Paid-In Capital as an offset to paid-in capital.

1870 Property Acquisition Adjustment.

(a) Record here the difference between the purchase price to the air carrier of property and equipment acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the Civil Aeronautics Board, and the depreciated cost to the predecessor company at date of acquisition. Record here also such differences relating to purchases of property and equipment from associated companies unless other treatment is approved by the Board. Separate subaccounts shall be established to record the amounts applicable to each such acquisition.

(b) Balances in this account shall be amortized by charges to profit and loss account 89 Miscellaneous Nonoperating Debits unless otherwise directed or approved by the Civil Aeronautics Board.

(c) When charges are made to this account, each air carrier shall file a statement of accounting procedures with the Civil Aeronautics Board in accordance with section 22(d) or 32(d), as ap-

plicable. The required statement shall include an explanation of the charges and the air carrier's proposed plan for writeoff or amortization.

(d) The foregoing instructions do not apply to purchases of individual units of property or equipment from another air carrier when such acquisitions do not require approval of the Civil Aeronautics Board.

1880 Other Intangibles.

Record here the cost of leaseholds, patents, copyrights and other intangible properties, rights and privileges acquired as a part of a business from other air carriers and other intangible assets not provided for elsewhere. This account shall be subdivided to reflect the nature of each intangible asset included in this account. Amortization of each intangible asset recorded in this account shall be effected in accordance with a plan filed with the Civil Aeronautics Board. (See section 5–5.)

1890 Other Deferred Charges.

(a) Record here debits, not provided for elsewhere, the proper final disposition of which cannot be effected until additional information has been received. This account shall include the accumulated cost of labor, materials and outside services used in the process of manufacturing flight equipment expendable parts and materials and supplies for stock, the accumulated cost of jobs in process for others, and projects to be charged to expense upon completion.

(b) This account shall be charged with property loss and other costs related to casualties and credited with recoveries from purchased insurance and salvage. Where self-insurance reserves are not provided, a debit or credit balance in this account related to property retired as a result of a casualty shall be recorded in profit and loss account 81 Capital Gains and Losses; however, any balances related to property not retired or to other casualties shall be recorded in profit and loss account 58 Injuries, Loss and Damage. Proceeds from purchased insurance for property damage, received prior to repair of such damage, shall not be credited to this account but to balance sheet account 2390 Other Deferred Credits pending repair. In cases where self-insurance reserves are applicable, debit or credit balances in this account related to property loss shall be accounted for in accordance with the provisions of balance sheet account 2350 Reserve for Self-insurance. The records for each major casualty shall be kept in such manner as to clearly disclose insurance recoveries and the total costs, which shall include charges for the depreciated cost of property damaged or destroyed, costs for clearing wrecks and damaged property and equipment, including salaries and wages for the repair thereof, and payments for damages to property of others. The cost of casualties shall not be charged directly against retained earnings or appropriations thereof, but shall be cleared through the applicable profit and loss accounts in accordance with the foregoing.

CURRENT LIABILITIES

2010 Current Notes Payable.

Record here the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness payable on demand or within one year to other than associated companies, including the portion of long-term debt due within one year of the balance sheet date. The current portion of long-term debt expected to require the use of existing resources of a type not properly classifiable as current assets, shall be included in appropriate noncurrent liability accounts and shall not be included in this account.

2020 Accounts Payable—General.

Record here all accounts payable within 1 year which are not provided for in accounts 2030 to 2050, inclusive.

2030 Collections as Agent—Traffic.

(a) This account shall include amounts collected for transportation furnished by others, except associated companies, whether settled through airline clearing houses or with individual carriers.

(b) Accounts receivable, includible in account 1240 Accounts Receivable—General Traffic shall not be charged to this account.

2040 Collections as Agent—Other.

Record here amounts collected for the account of others such as sales or transportation taxes and amounts deducted from employee salaries and wages for payments to others exclusive of amounts collected for air transportation over the lines of other air carriers.

2050 Notes and Accounts Payable—Associated Companies.

Record here gross amounts due on traffic accounts, current notes and open accounts with associated companies. Balances receivable from associated companies, shall not be offset against amounts carried in this account. Balances with associated companies which are not normally settled currently shall not be included in this account but in balance sheet account 2240 Advances from Associated Companies.

2110 Accrued Personnel Compensation.

Record here amounts accrued for unpaid compensation to personnel, which have been charged to profit and loss or capitalized, as compensation for the period in which accrued.

2120 Accrued Vacation Liability.

(a) Record here any accruals for liabilities against the air carrier for personnel vacations. At the option of the air carrier the cost of personnel vacations may be charged directly to the applicable personnel compensation expense account without accrual through this account.

(b) This account shall be credited and the applicable personnel compensation expense account concurrently charged with the cost of any lag between vacations accrued and vacations taken. Accruals may be based upon standard rates of lag provided such standard rates are verified by physical inventory and adjusted accordingly at least once each calendar year. Adjustments of balances in this account shall be cleared to applicable compensation expense accounts. No accruals shall be made to this account for other than definitely demonstrable obligations of the air carrier. (See section 2–5 for applicable accounting policy.)

(c) Each air carrier shall file a statement with the Board fully describing the accounting procedures followed in accruing liability for personnel vacations. The statement shall include such information as (1) bases of accrual; (2) whether the accruals are made pursuant to a firm labor agreement or contract; and (3) whether the accruals cover all employees or certain categories only. (See section 22(d) or 32(d), as applicable.)

2131 Accrued Federal Income Taxes.

(a) Record here accruals for currently payable Federal income taxes. Provisions for deferred taxes shall not be accrued except as provided in section 2–6.

(b) The amount of any potential investment tax credit, computed pursuant to section 46(a)(1) of the U.S. Internal Revenue Code, applicable to property placed in service during each accounting period, and not used as an offset against income tax liabilities, shall be debited to a memorandum account under balance sheet account 2390 Other Deferred Credits titled "Investment Tax Credits Available" and shall be credited to a memorandum account, also under balance sheet account 2390, titled "Unrealized Investment Tax Credits." As investment tax credits are utilized in the reduction of tax liabilities, or expire, these two memorandum accounts shall be adjusted to the remaining outstanding balance of unused and unexpired credits. Concurrently with the utilization of investment tax credits, this account 2131 shall be charged, and profit and loss account 91 Provision for Income Taxes shall be credited. At the option of the air carrier, credits utilized in the reduction of income tax liabilities may be carried through profit and loss account 93.1 Investment Tax Credits Deferred, on a consistent basis from year to year, to balance sheet account 2345 Deferred Investment Tax Credits for amortization over the service life of related property to profit and loss account 93.2 Amortization of Deferred Investment Tax Credits.

(c) In the event that investment tax credits utilized in the reduction of tax liabilities are later disallowed as a result of premature disposition of the property, or otherwise, such disallowed amounts shall be credited to this account 2131 and charged to profit and loss account 91 Provision for Income Taxes. The amount charged to account 91 shall then be cleared through profit and loss account 93.1 to balance sheet account 2345 Deferred Investment Tax Credits to the extent of any related unamortized balance therein.

(d) Each air carrier shall disclose on schedule P–2 of its CAB Form 41 for each calendar quarter whether utilized credits are accounted for on a current or deferred basis under subsection (b) above. The method selected shall be consistently followed by the carrier and shall not be changed unless an application is submitted for Board approval at least 18 months before the date the change is scheduled to become effective.

2139 Other Accrued Taxes.

Record here accruals for taxes, exclusive of Federal income taxes, constituting a charge borne by the air carrier, as opposed to those collected as an agent for others.

2140 Dividends Declared.

Record here in separate subdivisions for each class and series of capital stock, all dividends declared but unpaid on capital stock.

2150 Air Travel Plan Liability.

Record here the air carrier's liability for deposits received under air travel plan contracts.

2160 Unearned Transportation Revenue.

(a) Record here balances representing the value of unused transportation sold and to be provided by the air carrier.

(b) Earned revenue and the value of transportation sold but not used or refunded shall be consistently and periodically cleared by debit to this account and credit to the appropriate profit and loss revenue account. Amounts receivable for transportation to be provided by the air carrier shall be debited to balance sheet account 1240 Accounts Receivable—General Traffic.

(c) Subaccounts to this account shall be established to record balances pertaining to passenger and cargo transportation sold, respectively, and separately to sales in scheduled and nonscheduled services.

(d) In accordance with the provisions of section 22(d) or section 32(d), as applicable, a statement shall be filed with the Board which fully explains the accounting methods and bases of clearing to income both earned and unredeemed transportation sales. The statement shall specify the date when the analysis supporting the verification required by section 2–17 will be made as a consistent practice.

2190 Other Current Liabilities.

Record here current and accrued liabilities not provided for in accounts 2110 to 2160, inclusive.

NONCURRENT LIABILITIES

2210 Long-Term Debt.

Record here the face value or principal amount of debt securities issued or assumed by the air carrier and held by other than associated companies, which has not been retired or cancelled and is not payable within 12 months of the balance sheet date, except as provided in section 5–7.

2240 Advances from Associated Companies.

Record here net amounts due associated companies for notes, loans and advances which are not settled currently. Balances payable to and receivable from different associated companies shall not be offset.

2245 Advances from Nontransport Divisions.

(a) Record here net advances, including amounts settled currently, from nontransport divisions for which separate records and books of account are maintained.

(b) Each nontransport division shall be accounted for separately in net amounts payable, which shall be included in this account, or net amounts receivable which shall be included in balance sheet account 1520 Advances to Nontransport Divisions.

2250 Pension Liability.

Record here the liability of the air carrier under employee pension plans, to which either or both employees and the air carrier contribute, if the plan is administered by the air carrier.

2260 Company Stock Purchase Plan Liability.

Record here the liability for installments received on capital stock from company personnel who are not bound by legally enforceable subscription contracts.

2290 Other Noncurrent Liabilities.

Record here noncurrent liabilities not provided for in balance sheet accounts 2210 to 2260, inclusive, such as accruals for personnel dismissal liability, and accruals of other demonstrable miscellaneous noncurrent liabilities.

DEFERRED CREDITS

2330 Unamortized Premium on Debt.

(a) Record here the excess of the cash value of consideration received over the par value plus accrued interest on debt securities issued.

(b) Amounts recorded in this account shall be amortized to profit and loss account 87 Interest Expense.

2340 Deferred Federal Income Taxes.

(a) Record here deferred income tax credits and debits arising from different treatment for tax and book accounting purposes of those income elements specifically set forth in section 2–6(b).

(b) This account shall be credited or debited, as appropriate and profit and loss subaccount 92.1 Current Provisions for Deferred Taxes shall be debited or credited, each quarter, with deferred income taxes applicable to the income elements for which the related income tax effect is deferred. Deferred tax provisions shall be computed at tax rates, under existing law, at which the deferred taxes are payable. This means that insofar as income differences result from the application of different residual values in determining depreciation the applicable deferred tax shall be accrued at the appropriate capital gain rate.

(c) This account shall be debited or credited as appropriate, and profit and loss subaccount 92.2 Application of Taxes Deferred shall be credited or debited, each quarter, with deferred tax amounts previously accrued which are allocable to income of the current period.

(d) Upon adjustment or elimination of the income element for which income taxes are deferred, the related deferred tax balance included in this account shall be correspondingly adjusted or eliminated by debit or credit, as appropriate, to profit and loss subaccount 92.3 Adjustment of Deferred Taxes.

(e) Any debit balance herein shall be treated for statement purposes, as a special subaccount of balance sheet account 1890 Other Deferred Charges.

(f) Each air carrier is restricted in its use of this account to the purposes set forth in section 2–6. Deferred tax balances shall not be reversed or revised without prior approval of the Civil Aeronautics Board except that correction of clerical errors shall be effected upon the the initiative of the air carrier. All adjustments shall be effected through appropriate credits or debits to profit and loss subaccount 92.3 Adjustment of Deferred Taxes. Full explanation of each adjustment shall be set forth in CAB Form 41 report for the period in which the adjustment is made.

2345 Deferred investment tax credits.

Record here investment tax credits utilized as reduction of tax liabilities, when the carrier exercises the option to defer such credits for amortization over the service life of related equipment (see section 6–2131).

2350 Reserve for Self-Insurance.

(a) Record here all accruals through charges against income for uninsured losses. Segregations of retained earnings for uninsured loss contingencies shall not be credited to this account but to balance sheet account 2930 Appropriations of Retained Earnings. All sustained losses associated with risks for which accruals are being made shall be charged to this account. If through the

operation of the carrier's self-insurance plan a debit balance results in this account, such debit balance shall not be reclassified to another account for either statement or accounting purposes but shall remain in this account until liquidated through operation of the plan in subsequent periods. Upon each redetermination of self-insurance requirements, pursuant to section 2–13, any balances of material amount in excess of those required to cover current risks borne by the air carrier shall be credited to profit and loss account 96 Special Income Credits and Debits (Net) rather than to insurance expense accounts. (See section 2–13, Establishment of Reserves.)

(b) The losses charged to this account shall be limited to the net losses associated with each casualty for which self-insurance reserves are provided, after offsetting any recoveries from purchased insurance, as accumulated in balance sheet account 1890 Other Deferred Charges. (See also section 2–13.) Under co-insurance programs, this account shall be charged with losses borne by the carrier and not covered by purchased insurance. Any excess of the accumulated proceeds from purchased insurance under such co-insurance programs over the depreciated cost of accumulated property losses during each insured period shall be credited to this account to the extent losses associated with such casualties have been charged to this account during such period. Any remaining excess accumulated during the insured period shall be credited to profit and loss account 81 Capital Gains and Losses and shall not be credited to this account. The cost of ordinary maintenance and overhaul work performed along with the repair of casualty damage shall be charged to the appropriate maintenance accounts and not to this account. Refunds of insurance premiums whether based upon the air carrier's casualty experience, or otherwise, shall not be credited to this account but to the applicable insurance expense account.

(c) Each air carrier shall maintain appropriate records for each type and class of property risk or other risk for which self-insurance reserves are provided.

(d) The air carrier shall submit in writing to the Civil Aeronautics Board a statement describing the air carrier's policy with respect to self-insurance pursuant to section 2–13.

2390 Other Deferred Credits.

Record here credits, not provided for elsewhere, the proper final disposition of which cannot be effected until additional information has been received.

STOCKHOLDER EQUITY

2820 Preferred Stock.

Record here in separate subdivisions for each class and series, the par or stated value of preferred capital stock issued or in the case of no-par stock without stated value, the full consideration received.

2840 Common Stock.

Record here in separate subdivisions for each class and series, the par or stated value of common stock issued or in case of no-par stock without stated value, the full consideration received.

2860 Capital Stock Subscribed and Unissued.

Record here in separate subdivisions for each class and series, the par or stated value, or the subscription price in the case of stock without par or stated value, of legally enforceable subscriptions to the capital stock of the air carrier.

2890 Other Paid-In Capital.

(a) Record here in separate subdivisions for each class and series, the difference between the price at which capital stock is sold and the par or stated value of such stock; gains or losses arising from the reacquisition and the resale or retirement of each class and series of capital stock; donations; the excess of retained earnings capitalized over par or stated value of capital stock issued; and adjustments in capital resulting from reorganization or recapitalization. This account shall also include the balances of contributions to the business enterprise of individual proprietors or partners.

(b) Each air carrier shall maintain the following subaccounts:

2890.1 *Premium on Capital Stock.*

Record here in separate subdivisions for each class and series of capital stock issued the excess of the cash value of consideration received over the par or stated value and accrued dividends of stock issued together with assessments against stockholders representing payments required in excess of par or stated value.

2890.2 *Discount on Capital Stock.*

Record here in separate subdivisions for each class and series of capital stock issued, the excess of the par or stated value over the cash value of consideration received, less accrued dividends. Discount applicable to a particular class and series of capital stock may be offset against premiums from the same class and series of capital stock. Discounts and premiums on different classes and series of capital stock shall not be offset. The air carrier may, at its option, record in this subaccount commissions and expenses incurred in the issuance of capital stock and may charge balance sheet account 2940 Unappropriated Retained Earnings to the extent capital stock expense may exceed any existing balance of paid-in capital over the par or stated value of capital stock.

2890.3 *Other Capital Stock Transactions.*

Record here, in separate subdivisions for each class and series, the balance of credits arising from the reacquisition and resale or cancellation of capital stock, credits arising from a reduction in the par or stated value of capital stock or the net balance of credits or debits resulting from other paid-in capital transactions, not provided for elsewhere, which is identified with particular classes and series of capital stock.

2890.9 *Miscellaneous Paid-In Capital.*

Record here all other paid-in capital credits or debits not identified with particular classes and series of capital stock such as capital provided by donations from company stockholders and other paid-in capital which at the effective date of this system of accounts cannot be classified as to the source thereof.

2930 Appropriations of Retained Earnings.

(a) Record here amounts of retained earnings segregated for contingencies and other special purposes, including retained earnings segregated in connection with self-insurance plans.

(b) Charges resulting from the materialization of events for which retained earnings have been appropriated shall not be entered in this account but in appropriate profit and loss accounts. Balances in this account shall be returned to balance sheet account 2940 Unappropriated Retained Earnings when the reason for which created no longer exists.

2940 Unappropriated Retained Earnings.

(a) Record here the net income or loss from operations of the air carrier and dividends declared on capital stock.

(b) This account shall not be charged with dividends on treasury stock but may be charged with dividends on capital stock of the air carrier held in special funds not under the control of the air carrier. If a dividend is not payable in cash the values entered in this account shall be completely described.

(c) Delayed credits or charges to income shall not be entered in this account directly but in appropriate profit and loss accounts.

(d) Net income or loss accounted for during the current fiscal year shall not be entered in this account until the close of the fiscal year. Individual proprietorships or partnerships may clear net income or loss accounted for during the year directly to balance sheet account 2890 Other Paid-In Capital, or optionally, to this account for subsequent transfer to balance sheet account 2890 Other Paid-In Capital.

2990 Treasury Stock.

(a) Charge here the cost of capital stock issued by the air carrier reacquired by it and not retired or canceled. Capital credits or debits resulting from the resale or retirement of capital stock held in this account shall be entered in balance sheet account 2890.3 Other Capital Stock Transactions.

(b) Separate records shall be established for each class and series of capital stock held in this account.

PROFIT AND LOSS CLASSIFICATIONS

Section 7—Chart of Profit and Loss Accounts

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING REVENUES			
01 Passenger.			
01.1 Passenger—first class	31, 32	31, 32	31, 32.
01.2 Passenger—coach	31, 32	31, 32	31, 32.
02 United States mail.			
02.1 Priority	31, 32	31, 32	31, 32.
02.2 Nonpriority	31, 32	31, 32	31, 32.
03 Foreign Mail	31, 32	31, 32	31, 32.
06 Property.			
06.1 Express	31, 32	31, 32	31, 32.
06.2 Freight	31, 32	31, 32	31, 32.
06.3 Excess passenger baggage	31, 32	31, 32	31, 32.
07 Charter and special.			
07.1 Passenger	32	32	32.
07.2 Property	32	32	32.
08 Section 406 subsidy	41	41	41.
09 Foreign exchange fluctuation adjustments	46	46	46.
10 Hotel, restaurant and food service.			
10.1 Gross revenues	46	46	46.
10.2 Depreciation expense	46	46	46.
10.3 Other expenses	46	46	46.
11 Rents.			
11.1 Gross revenues	46	46	46.
11.2 Depreciation expense	46	46	46.
11.3 Other expenses	46	46	46.
12 Limousine service.			
12.1 Gross revenues	46	46	46.
12.2 Depreciation expense	46	46	46.
12.3 Other expenses	46	46	46.
13 Interchange sales—associated companies.			
13.1 Gross revenues	46	46	46.
13.2 Depreciation expense	46	46	46.
13.3 Other expenses	46	46	46.
14 General service sales—associated companies.			
14.1 Gross revenues	46	46	46.
14.2 Depreciation expense	46	46	46.
14.3 Other expenses	46	46	46.
15 Interchange sales—outside.			
15.1 Gross revenues	46	46	46.
15.2 Depreciation expense	46	46	46.
15.3 Other expenses	46	46	46.
16 General service sales—outside.			
16.1 Gross revenues	46	46	46.
16.2 Depreciation expense	46	46	46.
16.3 Other expenses	46	46	46.
17 Air cargo services.			
17.1 Gross revenues	46	46	46.
17.2 Depreciation expense	46	46	46.
17.3 Other expenses	46	46	46.
18 Other incidental revenues.			
18.1 Gross revenues	46	46	46.
18.2 Depreciation expense	46	46	46.
18.3 Other expenses	46	46	46.
19 Other operating revenues.			
19.1 Reservations cancellation fees	31, 32	31, 32	31, 32.
19.9 Miscellaneous operating revenues	31, 32, 41	31, 32, 41	31, 32, 41.
OPERATING EXPENSES			
21 General management personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
23 Pilots and copilots	51	51	51.
24 Other flight personnel	51, 69	51, 55	51, 55.
25 Maintenance labor.			
25.1 Labor—airframes		52	52.
25.2 Labor—aircraft engines		52	52.
25.3 Labor—other flight equipment		52	52.
25.6 Labor—flight equipment	52		
25.9 Labor—ground property and equipment	52, 53	52, 53	52, 53.
26 Aircraft and traffic handling personnel	69		
26.1 General aircraft and traffic handling personnel		64, 67	61, 62, 63, 65.
26.2 Aircraft control personnel		64	61.
26.3 Passenger handling personnel		64, 67	62, 65.
26.4 Cargo handling personnel		64, 67	62, 65.

PROFIT AND LOSS CLASSIFICATION—Continued

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING EXPENSES—continued			
28 Trainees, instructors and unallocated shop labor.			
28.1 Trainees and instructors	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
28.2 Unallocated shop labor	53	53	53.
30 Communications personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
31 Record keeping and statistical personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
32 Lawyers and law clerks	69	68	68.
33 Traffic solicitors	69	67	65.
34 Purchasing personnel	53, 69	53, 68	53, 68.
35 Other personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
36 Personnel expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
37 Communications purchased	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
38 Light, heat, power and water	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
39 Traffic commissions	69		
39.1 Commissions—passenger		67	65.
39.2 Commissions—property		67	65.
40 Legal fees and expenses	69	68	68.
41 Professional and technical fees and expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 68.
42 General services purchased—associated companies.			
42.1 Airframe repairs—associated companies		52	52.
42.2 Aircraft engine repairs—associated companies		52	52.
42.3 Other flight equipment repairs—associated companies		52	52.
42.6 Flight equipment repairs—associated companies	52		
42.7 Aircraft interchange charges—associated companies	51, 52	51, 52	51, 52.
42.8 General interchange service charges—associated companies.	52, 69	52, 55, 64, 67, 68.	52, 55, 61, 62, 63, 65, 66, 68.
42.9 Other services—associated companies	52, 53, 69	52, 53, 55, 64, 67, 68.	52, 53, 55, 61, 62, 63, 65, 66, 68.
43 General services purchased—outside.			
43.1 Airframe repairs—outside		52	52.
43.2 Aircraft engine repairs—outside		52	52.
43.3 Other flight equipment repairs—outside		52	52.
43.6 Flight equipment repairs—outside	52		
43.7 Aircraft interchange charges—outside	51, 52	51, 52	51, 52.
43.8 General interchange service charges—outside	52, 69	52, 55, 64, 67, 68.	52, 55, 61, 62, 63, 65, 66, 68.
43.9 Other services—outside	52, 53, 69	52, 53, 55, 64, 67, 68.	52, 53, 55, 61, 62, 63, 65, 66, 68.
44 Landing fees	69	64	61.
45 Aircraft fuels and oils	51		
45.1 Aircraft fuels		51	51.
45.2 Aircraft oils		51	51.
46 Maintenance materials:			
46.1 Airframes		52	52.
46.2 Aircraft engines		52	52.
46.3 Other flight equipment		52	52.
46.6 Flight equipment	52		
46.9 Ground property and equipment	52, 53	52, 53	52, 53.
47 Rentals	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
49 Shop and servicing supplies	53, 69	53, 64	53, 61.
50 Stationery, printing and office supplies	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
51 Passenger food expense	69	55	55.
53 Other supplies	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
54 Inventory adjustments	53, 69	53, 55	53, 55.

PROFIT AND LOSS CLASSIFICATION—Continued

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING EXPENSES—continued			
55 Insurance—general.			
55.1 Insurance purchased	51, 53, 69	51, 53, 68	51, 53, 68.
55.2 Provisions for self-insurance	51, 53, 69	51, 53, 68	51, 53, 68.
56 Insurance—traffic liability	69	55, 64	55, 62.
57 Insurance—employee welfare	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
58 Injuries, loss and damage	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
59 Tariffs, schedules and timetables	69	67	65, 66.
60 Advertising	69	67	66.
62 Other promotional and publicity expenses	69	67	66.
63 Interrupted trips expense	69	55	55.
64 Memberships	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
65 Corporate and fiscal expenses	69	68	68.
66 Uncollectible accounts	69	68	68.
67 Clearance, customs and duties	69	64	61, 62.
68 Taxes—payroll	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
69 Taxes—other than payroll	51, 69	51, 68	51, 68.
71 Other expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
72 Flight equipment airworthiness provisions.			
72.1 Airworthiness reserve provisions—airframes	52, 53	52, 53	52, 53.
72.2 Airworthiness reserve charges—airframes (credit)	52, 53	52, 53	52, 53.
72.6 Airworthiness reserve provisions—aircraft engines	52, 53	52, 53	52, 53.
72.7 Airworthiness reserve charges—aircraft engines (credit)	52, 53	52, 53	52, 53.
73 Provisions for obsolescence and deterioration—expendable parts.			
73.1 Current provisions	70	70	70.
73.2 Inventory decline credits	70	70	70.
74 Amortizations.			
74.1 Developmental and preoperating expenses	70	70	70.
74.2 Other intangibles	70	70	70.
75 Depreciation.			
75.1 Airframes	70	70	70.
75.2 Aircraft engines	70	70	70.
75.3 Airframe parts	70	70	70.
75.4 Aircraft engine parts	70	70	70.
75.5 Other flight equipment	70	70	70.
75.6 Flight equipment	70	70	70.
75.8 Maintenance equipment and hangars	70	70	70.
75.9 General ground property	70	70	70.
77 Uncleared expense credits.			
77.8 Uncleared interchange expense credits	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
77.9 Other uncleared expense credits	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
78 Direct maintenance—flight equipment	52	52	52.
79 Applied burden Dr/Cr.			
79.6 Flight equipment	52 Dr, 53 Cr	52 Dr, 53 Cr	52 Dr, 53 Cr.
79.8 General ground property	52 Dr, 53 Cr	52 Dr, 53 Cr	52 Dr, 53 Cr.
NONOPERATING INCOME AND EXPENSES			
80 Imputed interest capitalized.			
80.1 Imputed interest capitalized—credit	81	81	81.
80.2 Imputed interest deferred—debit	81	81	81.
80.3 Imputed interest deferred—credit	81	81	81.
81 Capital gains and losses.			
81.1 Capital gains and losses—operating property	81	81	81.
81.2 Capital gains and losses—other	81	81	81.
82 Unapplied cash discounts	81	81	81.
84 Income from subsidiary companies and dividend income.			
84.1 Income from subsidiary companies	81	81	81.
84.2 Dividend income—other than subsidiary companies	81	81	81.
884 Dividend income	81	81	81.
85 Foreign exchange adjustments	81	81	81.
86 Income from nontransport ventures	81	81	81.

PROFIT AND LOSS CLASSIFICATION—Continued

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
NONOPERATING INCOME AND EXPENSES—continued			
87 Interest and debt expense.			
87.1 Interest on debt principal	81	81	81.
87.2 Interest capitalized—credit	81	81	81.
87.3 Amortization of discount and expense on debt	81	81	81.
87.4 Amortization of premium on debt	81	81	81.
88 Miscellaneous nonoperating credits	81	81	81.
88.1 Intercompany transaction adjustment-credit	81	81	81.
88.9 Other	81	81	81.
89 Miscellaneous nonoperating debits	81	81	81.
89.1 Intercompany transaction adjustment-debit	81	81	81.
89.9 Other	81	81	81.
INCOME TAXES			
91 Provision for income taxes.			
91.1 Income taxes before investment tax credits	91	91	91.
91.2 Investment tax credits utilized	91	91	91.
92 Provisions for deferred Federal income taxes.			
92.1 Current provisions for deferred taxes	91	91	91.
92.2 Application of deferred taxes	91	91	91.
92.3 Adjustment of deferred taxes	91	91	91.
93 Investment tax credits deferred and amortized.			
93.1 Investment tax credits deferred	91	91	91.
93.2 Amortization of deferred investment tax credits	91	91	91.
SPECIAL ITEMS			
96 Special income credits and debits (net)	97	97	97.
97 Special income tax credits and debits (net)	97	97	97.

Section 8—General

(a) The profit and loss accounts are designed to reflect, through natural groupings, the elements entering into the derivation of income or loss accruing to the proprietary interests during each accounting period.

(b) The prescribed system of accounts provides for the co-ordinate grouping of all revenues and expenses in terms of both major natural objectives and functional activities and for subdivision of both to provide varying degrees of detail for air carriers of differing accounting capacities and/or requirements.

(c) The detailed objective accounts established for each air carrier group, by the dual subdivision of profit and loss elements in terms of both natural objectives and functional activities, are set forth in section 7, Chart of Profit and Loss Accounts.

(d) The prescribed system of accounts provides generally that profit and loss elements shall be grouped in accordance with their inherent characteristics within the following primary classifications:

(1) *Operating revenues.* (i) This primary classification shall include revenues of a character usually and ordinarily derived from the performance of air transportation, and net revenues from services performed incidental to the performance of air transportation, which relate to services performed during the current accounting year, and adjustments of a recurrent nature applicable to services performed in prior accounting years. (See section 2–7.)

(ii) Operating revenues shall be subclassified in terms of functional activities as provided in section 9.

(2) *Operating expenses.* (i) This primary classification shall include expenses of a character usually and ordinarily incurred in the performance of air transportation which are attributable to services performed during the current accounting year, and adjustments of a recurring nature attributable to services performed in prior accounting years. (See section 2–7.)

(ii) Operating expenses shall be subclassified in terms of functional activities as provided in sections 10 and 11.

(3) *Nonoperating income and expense—net.* This primary classification (8100) shall include income and loss incident to commercial ventures not inherently related to the performance of the common carrier air transport services of the accounting entity; other revenues and expenses attributable to financing or other activities which are extraneous to and not an integral part of air transportation or its incidental services; and special recurrent items of a nonperiod nature.

(4) *Income taxes for current period.* This primary classification (9100) shall include provisions for Federal, state, local and foreign taxes which are based upon the net income of the air carrier for the current period together with refunds for excess profits credits or carry back of losses and increases or reductions of income taxes of prior years of a magnitude which will not distort net income of the current accounting year. Income taxes applicable to special income credits or debits recorded in profit and loss classification 9700 Special Items, and other material income tax items not allocable to income of the current accounting year, shall not be included in this classification but in profit and loss classification 9700 Special Items.

(5) *Special items.* This primary classification (9700) shall include extraordinary credits and debits, exclusive of ordinary adjustments of a recurring nature, that are of sufficient magnitude to materially distort the total operating revenues or total operating expenses and permit misleading inferences to be drawn therefrom (see sec. 2–7).

Section 9—Functional Classification—Operating Revenues

3900 Transport Revenues.

This classification is prescribed for all air carrier groups and shall include all revenues from the air transportation of traffic of all classes. It shall consist of the following subclassifications:

3100 *Scheduled Services.*

This subclassification shall include revenues from the transportation by air of traffic between points prescribed in certificates of public convenience and necessity issued by the Civil Aeronautics Board and held by the air carrier, for the transportation of individual passengers or cargo shipments (as opposed to charter of aircraft) on flights performed pursuant to published schedules, filed with the Civil Aeronautics Board, and extra section or other flights performed as an integral part of the air carrier's published flight schedules.

3200 *Nonscheduled Services.*

This subclassification shall include revenues from the transportation by air of traffic between points not prescribed in certificates of public convenience and necessity issued by the Civil Aeronautics Board and held by the air carrier; from the performance of aircraft charter services; and from the performance of other air transportation services not constituting an integral part of services performed pursuant to published schedules filed with the Civil Aeronautics Board. Flights performed as extra sections of flights performed pursuant to published schedules shall not be included in this subclassification but in subclassification 3100 Scheduled Services.

4900 Nontransport Revenues.

This classification is prescribed for all air carrier groups and shall include all revenues, grants or aids for providing air transportation facilities, but not as direct payment for the carriage of traffic, and all revenues and fees, less expenses directly associated with the performance of services which grow from and are incidental to air transportation services performed by the air carrier. It shall consist of the following subclassifications:

4100 *Federal Subsidy.*

This subclassification shall include revenues from the United States Government as direct grants or aids for providing air transportation facilities. It shall not include revenues from the carriage of traffic or the performance of other specific contractual services for the United States Government.

4600 *Incidental Revenues—Net.*

(a) This subclassification shall include net revenues from services which grow from and are incidental to the air transportation services performed by the air carrier.

(b) This subclassification shall include revenues, less related expenses, from only those services which are performed as an incidental adjunct to air transportation services and which provide improved utilization of plant and organization required for the performance of air transportation services. Revenues and expenses related to serv-

ices of a magnitude or scope beyond an incidental adjunct to air transportation services shall not be included in this subclassification (see section 1-6(b)). Revenues and expenses applicable to such services shall be included in profit and loss classification 8100 Nonoperating Income and Expense—Net, and the accounting modified to conform with that of a nontransport division whether or not the service is organized as a nontransport division.

(c) This subclassification shall embrace all expense items directly identified with particular incidental services performed as well as amounts representing increases in costs incurred in common with the air transport service, to the extent such increases result from the added incidental services, as well as a pro rata share of the costs incurred by the air carrier in operating facilities which are used jointly with others. As a general rule, this subclassification shall not include those costs, other than joint facilities costs, which would remain as an essential part of the air transport services if the incidental service were terminated.

(d) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement of accounting procedures setting forth methods used in assigned or prorating expenses between incidental services and transport operations.

Section 10 — Functional Classification—Operating Expenses of Group I Air Carriers

5100 Flying Operations.

(a) This function shall include expenses incurred directly in the in-flight operation of aircraft and expenses attaching to the holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status.

(b) This function shall not include expenses incurred in repairing, servicing or storing aircraft, expenses incurred on the ground in protecting and controlling the in-flight movement of aircraft, or the compensation of ground personnel and other expenses incurred in scheduling or preparing aircraft or aircraft operational personnel for flight assignment. Such expenses shall be included in function 5400 Maintenance or function 6900 General Services and Administration.

5400 Maintenance.

(a) This function shall include all expenses, both direct and indirect, specifically identifiable with the repair and upkeep of property and equipment as may be required to meet operating and safety standards; in inspecting or checking property and equipment in accordance with prescribed operational standards; and in polishing or cleaning property and equipment when such polishing or cleaning is not an incidental routine in connection with the normal productive use of property and equipment.

(b) This function shall include the cost of direct labor, materials, and outside services and maintenances overhead or other costs specifically associated with maintenance operations regardless of the location at which incurred.

(c) This function shall not include costs incurred in the construction, improvement, or modification of property and equipment even when necessitated to meet new or changed operating or safety standards. Such costs shall be charged to appropriate property and equipment accounts.

(d) Costs incurred by aircraft handling personnel in visual inspection, minor check and servicing of aircraft, while in line service, shall not be included in this function when performed as an incidental routine during the normal productive use of aircraft but shall be included in function 6900 General Services and Administration.

(e) Each Group I air carrier shall maintain the following subfunctions:

5200 *Direct Maintenance.*

a. This subfunction shall include the costs of labor, materials and outside services consumed directly in periodic maintenance operations and the maintenance and repair of property and equipment, of all types and classes, regardless of the location at which incurred, exclusive of costs specifically identified with maintenance of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment and 1640.1 Maintenance Buildings and Improvements which shall be included in subfunction 5300 Maintenance Burden.

b. The cost of direct labor, materials and supplies, as well as outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running job orders or tickets covering repairs and periodic inspections except servicing. Where a number of like items are maintained on a group basis, it will be necessary to maintain only one job order for each group.

c. When supervisory personnel such as crew chiefs, inspectors and foremen are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the appropriate direct labor accounts. The cost of transporting property to and from shops for repair and maintenance shall be included as a part of the cost of the materials and supplies used in the repair or maintenance of such property and equipment. Transportation charges, customs and duties, etc; shall be included in the cost of repairs and maintenance operations when made by outside parties.

5300 *Maintenance Burden.*

a. This subfunction shall include all overhead or general expeness which are specifically identified with activities involved in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, including the cost of direct labor, materials and outside services identified with the maintenance and repair of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment, and 1640.1 Maintenance Buildings and Improvements. It shall include expenses specifically related to the administration of maintenance stocks and stores, the keeping of pertinent maintenance operations records, and the scheduling, controlling, planning and supervision of maintenance operations.

b. This subfunction shall not include expenses related to financial accounting, purchasing or other overhead activities which are of general applicability to all operating functions. Such expenses shall be included in function 6900 General Services and Administration.

c. This subfunction shall include only those expenses attributable to the current air transport operations of the air carrier. Maintenance burden associated with capital projects of the air carrier, other than overhauls of airframes and aircraft engines, shall be allocated thereto in accordance with the provisions of section 2-9(b). Maintenance burden incurred in common with services to other companies and operating entities shall be allocated thereto on a pro rata basis unless such services are so infrequent in performance or small in volume as to result in no appreciable demands upon the air carrier's maintenance facilities. When overhauls of airframes or aircraft engines are as a consistent practice accounted for on an accrual basis instead of expensed directly, maintenance burden shall be allocated thereto on a pro rata basis. Standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at the close of each fiscal year, at least. When the actual burden rate for the year differs materially from the standard burden rate applied, adjustment shall be made to reflect the actual cost incurred for the full accounting year. Allocations of maintenance burden to capital projects, and service sales to others shall be effected through the individual maintenance burden objective accounts, except that the air carrier may effect such allocations by credits to profit and loss account 77 Uncleared Expense Credits under circumstances in which the use of that account will not undermine the significance of the individual maintenance burden objective accounts in terms of the expense levels associated with the air carrier's air transport services. Maintenance burden allocated to overhauls shall be credited to profit and loss subaccounts 5372.2 or 5372.7 Airworthiness Reserve Charges. In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement in which procedures followed in allocating maintenance burden between current transport services, overhauls, capital projects and outside services are fully explained.

6900 General Services and Administration.

This function shall include expenses incurred on the ground in controlling and protecting the in-flight movement of aircraft; landing, handling, or servicing aircraft on the ground; selling transportation; servicing and handling traffic of all classes; promoting the development of traffic; administering operations generally; and all other expenses not otherwise provided for in functions 5100 Flying Operations, 5400 Maintenance and 7000 Depreciation and Amortization.

7000 Depreciation and Amortization.

This function shall include all charges to expense to record losses suffered through current exhaustion of the serviceability of property and equipment due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs as well as losses in serviceability occasioned by obsolescence, supersession, discoveries, change in popular demand or action by public authority. It shall also include charges for the amortization of capitalized developmental and preoperating costs and other intangible assets applicable to the performance of air transportation. (See sections 5-5 and 6-1830 and 1880.)

Section 11—Functional Classification—Operating Expenses of Group II and Group III Air Carriers

5100 Flying Operations.

(a) This function shall include expenses incurred directly in the in-flight operation of aircraft and expenses attaching to the holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status.

(b) This function shall not include expenses incurred in repairing, servicing or storing aircraft, expenses incurred on the ground in protecting and controlling the in-flight movement of aircraft, or compensation of ground personnel and other expenses incurred in scheduling or preparing aircraft or aircraft operational personnel for flight assignment. Such expenses shall be included in function 5400 Maintenance, or function 6400 Aircraft and Traffic Servicing.

5400 Maintenance.

(a) This function shall include all expenses, both direct and indirect, incurred in the repair and upkeep of property and equipment as may be required to meet operating and safety standards; in inspecting or checking property and equipment in accordance with prescribed operational standards; and in polishing or cleaning property and equipment when such polishing or cleaning is not an incidental routine in connection with the normal productive use of property and equipment.

(b) This function shall include the cost of direct labor, materials, and outside services and maintenance overhead or other costs associated with maintenance operations regardless of the location at which incurred.

(c) This function shall not include costs incurred in the construction, improvement, or modification of property and equipment even when necessitated to meet new or changed operating or safety standards. Such costs shall be charged to appropriate property and equipment accounts.

(d) Costs incurred by aircraft handling personnel in visual inspection, minor check and servicing of aircraft, while in line service, shall not be included in this function when performed as an incidental routine during the normal productive use of aircraft but shall be included in function 6400 Aircraft and Tariff Servicing.

(e) Both Group II air carriers and Group III air carriers shall maintain the following subfunctions:

5200 *Direct Maintenance.*

a. This subfunction shall include the costs of labor, materials and outside services consumed directly in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, regardless of the location at which incurred, exclusive of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment and 1640.1 Maintenance Buildings and Improvements, which shall be included in subfunction 5300 Maintenance Burden.

b. The cost of direct labor, materials and supplies, as well as outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running job orders or tickets covering repairs and periodic inspections except servicing. Where a number of like items are maintained on a group basis, it will be necessary to maintain only one job order for each group.

c. When supervisory personnel such as crew chiefs, inspectors and foremen are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the appropriate direct labor accounts. The cost of transporting property to and from shops for repair and maintenance shall be included as a part of the cost of the materials and supplies used in the repair or maintenance of such property and equipment. Transportation charges, customs and duties, etc., shall be included in the cost of repairs and maintenance operations when made by outside parties.

5300 *Maintenance Burden.*

a. This subfunction shall include all overhead or general expenses used directly in the activities involved in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, including the cost of direct labor, materials and outside services used in the maintenance and repair of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment, and 1640.1 Maintenance Buildings and Improvements. It shall include expenses related to the administration of maintenance stocks and stores, the keeping of pertinent maintenance operations records, and the scheduling, controlling, planning and supervision of maintenance operations.

b. This subfunction shall not include expenses related to financial accounting, purchasing or other overhead activities which are of general applicability to all operating functions. Such expenses shall be included in function 6800 General and Administrative.

c. This subfunction shall include only those expenses attributable to the current air transport operations of the air carrier. Maintenance burden associated with capital projects of the air carrier, other than overhauls of airframes and aircraft engines, shall be allocated thereto in accordance with the provisions of section 2-9(b). Maintenance burden incurred in common with services to other companies and operating entities shall be allocated thereto on a pro rata basis unless such services are so infrequent in performance or small in volume as to result in no appreciable demands upon the air carrier's maintenance facilities. When overhauls of airframes or aircraft engines are as a consistent practice accounted for on an accrual basis instead of expensed directly, maintenance burden shall be allocated thereto on a pro rata basis. Standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at the close of each fiscal year, at least. When the actual burden rate for the year differs materially from the standard burden rate applied, adjustment shall be made to reflect the actual costs incurred for the full accounting year. Allocations of maintenance burden to capital projects, and service sales to others shall be effected through the individual maintenance burden objective accounts, except that the air carrier may effect such allocations by credits to profit and loss account 77 Uncleared Expense Credits under circumstances in which the use of that account will not undermine the significance of the individual maintenance burden objective accounts in terms of the expense levels associated with the air carrier's air transport services. Maintenance burden allocated to overhauls shall be credited to profit and loss subaccounts 5372.2 or 5372.7 Airworthiness Reserve Charges. In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement in which procedures followed in allocating maintenance burden between current transport services, overhauls, capital projects and outside services are fully explained.

5500 Passenger Service.

This function shall include all expenses chargeable directly to activities contributing to the comfort, safety and convenience of passengers while in flight and when flights are interrupted. It shall not include expenses incurred in enplaning or deplaning passengers, or in securing and selling passenger transportation and caring for passengers prior to entering a flight status. Such expenses shall be included in functions 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales, respectively.

6400 Aircraft and Traffic Servicing.

(a) This function shall include the compensation of ground personnel and other expenses incurred on the ground incident to the protection and control of the in-flight movement of aircraft, scheduling and preparing aircraft operational crews for flight assignment, handling and servicing aircraft while in line operation, servicing and handling traffic on the ground, subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation, and in-flight expenses of handling and protecting all nonpassenger traffic including passenger baggage.

(b) This function shall include only those aircraft servicing and cleaning expenses which are incurred as an incidental routine during the normal productive use of aircraft in line operations. It shall not include expenses incurred in the repair and maintenance of property and equipment, or in checking or inspecting property and equipment in accordance with prescribed operational standards when such activities are not an incidental routine during the normal productive use of aircraft. Such expenses shall be included in function 5400 Maintenance.

(c) This function shall not include expenses incurred in securing traffic, arranging aircraft space for traffic sold or in issuing documents confirming traffic sales and establishing the air carrier's responsibilities to provide air transportation. Such expenses shall be included in function 6700 Promotion and Sales. However, for purposes of this system of accounts, expenses attributable to the operation of airport traffic offices, excluding reservation centers, shall be included in this function. Expenses attributable to the operation of reservation or aircraft space control centers shall be included in function 6700 Promotion and Sales regardless of the location at which incurred.

(d) Group III air carriers shall further subdivide this function as follows:

6100 *Aircraft Servicing.*

a. This subfunction shall include the compensation of ground personnel and other expenses incurred on the ground incident to the protection and control of the in-flight movement of aircraft; scheduling or preparing aircraft operational crews for flight assignment; landing and parking aircraft; visual inspection, routine checking, servicing and fueling of aircraft; and other expenses incurred on the ground incident to readying for arrival and take-off of aircraft.

6200 *Traffic Servicing.*

a. This subfunction shall include the compensation of ground personnel and other expenses incurred on the ground incident to handling traffic of all types and classes on the ground subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation. Expenses attributable to the operation of airport traffic offices shall also be included in this subfunction; expenses attributable to reservations centers shall be excluded. It shall include expenses incurred in both enplaning and deplaning traffic as well as expenses incurred in preparation for enplanement and all expenses subsequent to deplanement.

b. This subfunction shall also include costs incurred in handling and protecting all nonpassenger traffic while in flight. It shall not include expenses incurred in contributing to the comfort, safety and convenience of passengers while in flight or when flights are interrupted. Such expenses shall be included in function 5500 Passenger Service.

6300 *Servicing Administration.*

a. This subfunction shall include expenses of a general nature incurred in performing supervisory or administrative activities relating solely and in common to subfunctions 6100 Aircraft Servicing and 6200 Traffic Servicing.

b. This subfunction shall not include supervisory or administrative expenses which can be charged directly to subfunction 6100 Aircraft Servicing or subfunction 6200 Traffic Servicing. Nor shall this subfunction include expenses of a general administrative character and of significant amount regularly contributing to operating functions generally. Such expenses shall be included in function 6800 General and Administrative.

c. The expenses in this subfunction shall be recorded separately for each geographic location at which incurred.

6700 Promotion and sales.

(a) This function shall include expenses incurred in creating public preference for the air carrier and its services; stimulating the development of the air transport market; and promoting the air carrier or developing air transportation generally.

(b) It shall also include the compensation of personnel and other expenses incident to documenting sales; expenses incident to controlling and arranging or confirming aircraft space for traffic sold; expenses incurred in direct sales solicitation and selling of aircraft space; and expenses incurred in developing tariffs and schedules for publication.

(c) This function shall not include expenses incurred in handling traffic subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation which shall be included in functions 5500 Passenger Service and 6400 Aircraft and Traffic Servicing. However, for purposes of this system of accounts, expenses attributable to the operation of airport traffic offices, excluding reservation centers, shall be included in function 6400 Aircraft and Traffic Servicing. Expenses attributable to the operation of reservation or aircraft space control centers shall be included in function 6700 Promotion and Sales regardless of the location at which incurred.

(d) Group III air carriers shall subdivide this function as follows:

6500 *Reservations and Sales.*

This subfunction shall include expenses incident to direct sales solicitation, documenting sales, controlling and arranging or confirming aircraft space sold, and in developing tariffs and schedules for publication. It shall also include expenses attributable to the operation of city traffic offices. Expenses incurred in stimulating traffic and promoting the air carrier or air transportation generally shall not be included in this subfunction but in subfunction 6600 Advertising and Publicity.

6600 *Advertising and Publicity.*

a. This subfunction shall include expenses incurred in creating public preference for the air carrier and its services; stimulating development of the air transport market; and promoting the air carrier or developing air transportation generally.

b. This subfunction shall not include expenses incurred in direct sales solicitation and selling of aircraft space. Such costs shall be included in subfunction 6500 Reservations and Sales.

6800 General and Administrative.

(a) This function shall include expenses of a general corporate nature and expenses incurred in performing activities which contribute to more than a single operating function such as general financial accounting activities, purchasing activities, representation at law, and other general operational administration, which are not directly applicable to a particular function.

(b) This function shall not include expenses incurred directly in promoting traffic or in promoting relations of the air carrier generally with the public which shall be included in function 6700 Promotion and Sales. Nor shall this function include expenses, regularly applicable in large part to a specific function, which contribute only incidentally, or in small amount, to various other functions. Such expenses when of such size as will not distort the function to which predominantly related, shall be included in the specific function to which regularly related. However, expenses of a general administrative character and of significant amount regularly contributing to operating functions generally shall be included in this function.

7000 Depreciation and Amortization.

This function shall include all charges to expense to record losses suffered through current exhaustion of the serviceability of property and equipment due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs, as well as losses in serviceability occasioned by obsolescence, supersession, discoveries, change in popular demand or action by public authority. It shall also include charges for the amortization of capitalized developmental and preoperating costs, and other intangible assets applicable to the performance of air transportation. (See section 5–5 and sections 6—1830 and 1880.)

Section 12—Objective Classification—Operating Revenues

00 General Instructions.

(a) The objective accounts established in this section are prescribed for all air carrier groups. Each air carrier shall credit the gross revenues accruing from services ordinarily associated with air transportation or its incidental services, to the appropriate account established for each revenue source. Expenses incident to transport services from which revenue is earned shall not be charged to the related revenue account. However, direct costs of forwarding traffic as a result of interrupted trips, and refunds of sales, shall be charged to the applicable revenue account.

(b) Revenues accruing from transactions conducted in foreign currencies shall be credited to the applicable objective accounts at the United States dollar equivalent, at currently realizable, or officially prescribed rates of exchange, of foreign currencies received or due the air carrier from sales. (See section 2–3.)

(c) Expenses directly associated with the performance of incidental services shall be charged to the applicable incidental revenue account. (See section 9–4600.) Except as provided in operating expense objective account 77 Uncleared Expense Credits, all expenses allocated to incidental services shall be cleared by appropriate credits to the applicable operating expense objective accounts.

01 Passenger.

(a) Record here revenue from the transportation of passengers by air including infants transported at reduced fares, berth charges, surcharges for premium services and other similar charges. Service charges for persons travelling on a nonrevenue basis shall be recorded in objective account 19 Other Operating Revenues.

(b) This account shall be subdivided as follows by all air carrier groups:

01.1 *Passenger—First Class.*

Record here revenue from the air transportation of passengers moving at either standard fares or premium fares, or at reduced fares not predicated upon the use of aircraft space specifically separated from first class, and for whom standard or premium quality services are provided.

01.2 *Passenger—Coach.*

Record here revenue from the air transportation of passengers moving at special fares reduced from the first class or premium fares which are predicated upon both the operation of specifically designated aircraft space and a reduction in the quality of service regularly and ordinarily provided.

02 United States Mail.

(a) Record here revenue from the transportation by air of United States

mail at service mail rates established by the Civil Aeronautics Board.

(b) Fines and penalties imposed by the United States Government in connection with the carriage of mail shall not be charged to this account but to profit and loss account 89 Miscellaneous Nonoperating Debits.

(c) This account shall be subdivided as follows by all air carrier groups:

02.1 *Priority.*

Record here revenue from mail bearing postage at rates established specifically for air mail service or mail moving at service transportation rates equivalent to those established for mail bearing the full air mail postage.

02.2 *Nonpriority.*

Record here revenue from mail moving at service transportation rates lower than those established for mail bearing postage established specifically for air mail service.

03 Foreign Mail.

(a) Record here revenue from the transportation by air of mail other than United States mail.

(b) Fines and penalties imposed by foreign governments shall not be charged to this account but to profit and loss account 89 Miscellaneous Nonoperating Debits.

06 Property.

(a) Record here revenue from the transportation by air of property including excess passenger baggage.

(b) Revenues resulting from services incidental to the transportation services such as collection of shipper's interest insurance premiums and charges and fees for service such as pick-up and delivery, assembly and distribution, storage and handling, and C.O.D. collection shall not be credited to this account but to profit and loss account 17 Air Cargo Services.

(c) This account shall be subdivided as follows by all air carrier groups:

06.1 *Express.*

Record here revenue from the transportation by air of express as defined in tariffs filed with the Civil Aeronautics Board.

06.2 *Freight.*

Record here revenue from the transportation by air of property other than express and passenger baggage.

06.3 *Excess Passenger Baggage.*

Record here revenue from the transportation by air of passenger baggage in excess of fixed free weight.

07 Charter and Special.

(a) Record here the revenue from nonscheduled air transport services (except as otherwise required by profit and loss Account 86 Income from Nontransport Ventures) where the party receiving the transportation obtains exclusive use of an aircraft at either published tariff or other contractual rates and the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier. This account shall also include revenues from air transport services other than inter-airport services, whether scheduled or nonscheduled, where each passenger or shipment receiving transportation is individually documented and does not obtain exclusive use of an aircraft.

(b) This account shall not include revenues or fees received from other air carriers for flight facilities furnished or operated by the accounting air carrier where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, other air carriers. Such revenues and related expenses shall be included in profit and loss account 11 Rents, 13 Interchange Sales—Associated Companies, 15 Interchange Sales—Outside, or 18 Other Incidental Revenues, as appropriate.

(c) This account shall be subdivided as follows by all air carrier groups:

07.1 *Passenger.*

Record here revenue from the transportation of passengers and their personal baggage at rates set forth in passenger charter tariffs.

07.2 *Property.*

Record here revenue from the transportation of property at rates set forth in property charter tariffs and revenue from the transportation of passengers and property simultaneously at rates set forth in mixed passenger and property charter tariffs.

08 Section 406 Subsidy.

Record here amounts of compensation fixed pursuant to section 406(b) of the Federal Aviation Act which exceed amounts accruing to the air carrier under service mail rates established by the Civil Aeronautics Board for the carriage of United States mail.

09 Foreign Exchange Fluctuation Adjustments.

Record here gains or losses from transactions involving currency conversions resulting from normal, routine, day-to-day fluctuations in rates of foreign exchange in accordance with provisions of section 2–3. Gains or losses of a nonroutine abnormal character shall not be entered in this account but in profit and loss account 85 Foreign Exchange Adjustments.

10 Hotel, Restaurant and Food Service.

(a) Record here revenues from and expenses related to the operation of hotels and restaurants and similar facilities, and from sales of food. (See section 13–51.)

(b) This account shall be subdivided as follows by all air carrier groups:

10.1 Gross Revenues.
10.2 Depreciation Expense.
10.3 Other Expenses.

11 Rents.

(a) Record here revenues from and expenses related to property and equipment owned or leased which has been rented or subleased to others exclusive of associated companies. This account shall not include fees from the use by others of air carrier aircraft under aircraft interchange agreements.

(b) This account shall be subdivided as follows by all air carrier groups:

11.1 Gross Revenues.
11.2 Depreciation Expense.
11.3 Other Expenses.

12 Limousine Service.

(a) Record here revenues from and expenses related to the operation of passenger limousine surface transportation services.

(b) This account shall be subdivided as follows by all air carrier groups:

12.1 Gross Revenues.
12.2 Depreciation Expense.
12.3 Other Expenses.

13 Interchange Sales—Associated Companies.

(a) Record here the revenues or fees from and the expenses related to services provided associated companies by the air carrier under aircraft interchange agreements. This account shall be charged and the applicable operating expense objective accounts shall be credited, except as provided in operating expense objective account 77 Uncleared Expense Credits with the expenses attaching to services provided associated companies under aircraft interchange agreements.

(b) This account shall not include revenues or expenses related to air transportation services performed in the name of and for the account of the accounting air carrier. Such revenues shall be included in applicable transport revenue and operating expense objective accounts.

(c) This account shall be subdivided as follows by all air carrier groups:

13.1 Gross Revenues.
13.2 Depreciation Expense.
13.3 Other Expenses.

14 General Service Sales—Associated Companies.

(a) Record here the revenues, commissions or fees from and expenses related to other than air transportation and aircraft interchange services provided associated companies by the air carrier. This account shall include the contractual fees or other revenues from and expenses related to services provided associated companies in the operation of facilities which are used jointly with associated companies, as well as revenues from and the costs related to the sale of supplies, parts and repairs sold directly or furnished as a part of services to associated companies.

(b) This account shall not include consideration received from sales of property, equipment, materials or supplies when disposed of as a part of a program involving retirement of property and equipment as opposed to routine sales and services to associated companies unless such disposition is conducted as a normal part of the incidental sales activity. Such retirement gains or losses shall be included in capital gains and losses accounts. Maintenance parts, materials or supplies sold as a service to associated companies shall be charged to this account at cost without adjust-

ment of related obsolescence or depreciation reserves.

(c) This account shall be subdivided as follows by all air carrier groups:

14.1 Gross Revenues.
14.2 Depreciation Expense.
14.3 Other Expenses.

15 Interchange Sales—Outside.

(a) Record here the revenues or fees from and the expenses related to services provided other than associated companies by the air carrier under aircraft interchange agreements. This account shall be charged and the applicable operating expense objective accounts shall be credited, except as provided in operating expense objective account 77 Uncleared Expense Credits, with the expenses attaching to services provided other than associated companies under aircraft interchange agreements.

(b) This account shall not include revenues or expenses related to air transportation services performed in the name of and for the account of the accounting air carrier. Such revenues and expenses shall be included in applicable transport revenue and operating expense objective accounts.

(c) This account shall be subdivided as follows by all air carrier groups:

15.1 Gross Revenues.
15.2 Depreciation Expense.
15.3 Other Expenses.

16 General Service Sales—Outside.

(a) Record here the gross revenues, commissions or fees from and expenses related to other than air transportation and aircraft interchange services provided to other than associated companies by the air carrier. This account shall include the contractual fees or other revenues from and expenses related to services provided to other than associated companies in the operation of facilities which are used jointly with others, as well as revenues from and the costs related to the sale of supplies, parts and repairs sold directly or furnished as a part of services to others.

(b) This account shall not include consideration received from sales of property, equipment, materials or supplies when disposed of as a part of a program involving retirement of property and equipment as opposed to routine sales and services to others unless such disposition is conducted as a normal part of the incidental sales activity. Such retirement gain or loss shall be included in capital gains and losses accounts. Maintenance parts, materials or supplies sold as a service to others shall be charged to this account at cost without adjustment of related obsolescence or depreciation reserves.

(c) This account shall be subdivided as follows by all air carrier groups:

16.1 Gross Revenues.
16.2 Depreciation Expense.
16.3 Other Expenses.

17 Air Cargo Services.

(a) Record here fees and other revenues from and expenses related to incidental services performed in connection with cargo shipments such as pick-up and delivery fees, shipper's interest insurance charges, storage and handling fees, etc.

(b) This account shall be subdivided as follows by all air carrier groups:

17.1 Gross Revenues.
17.2 Depreciation Expense.
17.3 Other Expenses.

18 Other Incidental Revenues.

(a) Record here revenues from and expenses related to incidental services not provided for in profit and loss accounts 10 through 17, inclusive, such as revenues and expenses incident to the operation of flight facilities by the accounting air carrier, except those operated under aircraft interchange agreements, where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, other air carriers; and revenues and expenses incident to vending machines, parcel rooms, storage facilities, etc.

(b) This account shall include receipts and payments under agreements with other air carriers providing for mutual financial assistance in the case of work stoppages.

(c) Revenues from the renting or leasing of property and equipment to others shall not be included in this account but in profit and loss account 11 Rents.

(d) This account shall be subdivided as follows by all air carrier groups:

18.1 Gross Revenues.
18.2 Depreciation Expense.
18.3 Other Expenses.

19 Other Operating Revenues.

(a) Record here revenues associated with air transportation conducted by the air carrier, not provided for in profit and loss accounts 01 through 09, inclusive, such as revenue from service charges for failure to cancel or for late cancellation of air transportation reservations and revenue from nontransportation service charges collected on both revenue and nonrevenue flights.

(b) Revenues derived from sightseeing, aerial photography, advertising, or other special flights shall not be included in this account but in account 07 Charter and Special.

(c) This account shall be subdivided as follows by all air carrier groups:

19.1 Reservations Cancellation Fees.
19.9 Miscellaneous Operating Revenue.

Section 13—Objective Classification—Operating Expenses

00 General Instructions.

(a) Each element of expense ordinarily associated with air transportation services shall be charged to the accounts established in this section in accordance with the objectives served by each expenditure. Basic objective accounts, applicable to all air carrier groups, are established for recording all expense elements. These basic accounts are in certain areas subdivided to provide greater detail for indicated air carrier groups.

(b) To the end that the integrity of the prescribed objective accounts shall not be impaired, each air carrier shall: (1) charge the appropriate account prescribed for each service purchased or expense element incurred expressly for the benefit of the air carrier regardless of whether incurred directly by the air carrier or though an agent or other intermediary, and (2) except as provided in objective account 77 Uncleared Expense Credits, credit or charge, as appropriate, the account prescribed for each expense element which may be involved in distributions of expenses between (i) separate operating entities of the air carrier, (ii) incidental and transport services or transport functions, (iii) balance sheet and profit and loss elements and (iv) the air carrier and others, when the expenses are incurred initially by or for the benefit of the air carrier. At the option of the air carrier, standard rates applicable to each objective account comprising a particular pool of expenses subject to assignment between two or more activities, may be established for proration purposes, provided the rates established are predicated upon the experience of the air carrier and are reviewed and modified as appropriate at least once each year.

21 General Management Personnel.

Record here the compensation, including vacation and sick leave pay, of general officers and supervisors, and immediate assistants regardless of locality at which based, responsible for an activity not provided for in profit and loss accounts 25 through 35, inclusive, or an activity involving two or more such accounts.

23 Pilots and Copilots.

Record here the compensation, including vacation and sick leave pay, of pilots and copilots assigned or held inactive awaiting assignment to flight duty.

24 Other Flight Personnel.

Record here the compensation, including vacation and sick leave pay, of other flight personnel assigned or held inactive awaiting assignment to flight status, not responsible for the in-flight management of aircraft, such as engineers, navigation officers and cabin attendants.

25 Maintenance Labor.

(a) Record here the compensation for time of personnel spent directly on specific property and equipment maintenance projects. (See sections 10 and 11–5200.) Vacation and sick leave pay shall be charged to profit and loss account 28 Trainees, Instructors and Unallocated Shop Labor.

(b) This account shall be subdivided as follows:

GROUP II AND GROUP III AIR CARRIERS

25.1 *Labor—Airframes.*

Record here the direct labor expended upon airframes and spare parts related to airframes.

25.2 *Labor—Aircraft Engines.*

Record here the direct labor expended upon aircraft engines and spare parts related to aircraft engines.

25.3 *Labor—Other Flight Equipment.*

Record here the direct labor expended upon flight equipment (including instruments) other than airframes, aircraft engines and spare parts related to airframes and aircraft engines. Instruments shall includo all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines which are maintained separately from airframes and aircraft engines.

GROUP I AIR CARRIERS

25.6 *Labor—Flight Equipment.*

Record here the direct labor expended upon flight equipment of all types and classes.

ALL AIR CARRIER GROUPS

25.9 *Labor—Ground Property and Equipment.*

Record here the direct labor expended upon ground property and equipment of all types and classes. Direct labor expended upon general ground properties shall be charged to subfunction 5200 Direct Maintenance; and direct labor expended upon maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

26 Aircraft and Traffic Handling Personnel.

(a) Record here the compensation, including vacation and sick leave pay, of personnel of all types and classes, including direct supervisory personnel, assigned to ground activities, engaged directly in protecting and controlling aircraft in flight, scheduling and preparing flight crews for flight assignment, parking and servicing aircraft incidental to line operations, and of personnel of all types and classes engaged in servicing and handling traffic of all types and classes on the ground.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

26.1 *General Aircraft and Traffic Handling Personnel.*

Record here compensation of personnel handling or controlling aircraft and generally servicing or handling traffic of all types and classes whose activities are not identifiable with the particular activities provided for in subaccounts 26.2, 26.3 or 26.4, inclusive.

26.2 *Aircraft Control Personnel.*

Record here compensation of personnel whose activities are identifiable with the protection and control of aircraft in flight and in scheduling or preparing flight crews for flight assignment.

26.3 *Passenger Handling Personnel.*

Record here compensation of personnel whose activities are identifiable with the handling of passengers.

26.4 *Cargo Handling Personnel.*

Record here compensation of personnel whose activities are identifiable with the handling of passenger baggage, mail, express or freight.

28 Trainees, Instructors, and Unallocated Shop Labor.

(a) Record here the compensation, including vacation and sick leave pay, of instructors and personnel in an off-the-job training status; direct maintenance personnel compensation not assigned to specific projects; and vacation or sick leave pay of direct maintenance personnel.

(b) This account shall be subdivided as follows by all air carrier groups:

28.1 *Trainees and Instructors.*

Record here the compensation of instructors and personnel in a training status.

28.2 *Unallocated Shop Labor.*

Record here the pay of direct maintenance personnel which has not been assigned to profit and loss account 25 Maintenance Labor for time spent on specific maintenance projects, and vacation or sick leave pay of direct maintenance personnel.

30 Communications Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel of all types and classes, including direct supervisory personnel, engaged in local, interstation, or ground-air communication activities. This account shall include compensation of personnel such as radio operators, telephone operators, switchboard operators, teletype operators, messengers, etc.

31 Record Keeping and Statistical Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel including supervisory personnel, whose primary duties relate to maintaining records or conducting economic or other analyses required for general management controls, such as accountants, economists, statisticians, maintenance record clerks, stores record clerks, stores receiving and issuing clerks and file clerks. The account shall not include personnel engaged in documentation or other activities constituting an integral part of activities encompassed by other objective accounts.

32 Lawyers and Law Clerks.

Record here the compensation, including vacation and sick leave pay, of air carrier personnel engaged in law research or representing the air carrier in matters of law.

33 Traffic Solicitors.

Record here the compensation, including vacation and sick leave pay, of personnel engaged directly in solicitation of traffic of all types and classes. This account shall not include compensation of traffic office personnel engaged in soliciting activities incidental to the documenting of sales and assigning aircraft space which shall be included in profit and loss account 26 Aircraft and Traffic Handling Personnel.

34 Purchasing Personnel.

(a) Record here the compensation, including vacation and sick leave pay, of personnel, including direct supervisory personnel, engaged in purchasing activities.

(b) This account shall include compensation of personnel engaged in maintaining purchasing records but shall not include compensation of personnel responsible for the control of inventories or stores which shall be included in objective account 31 Record Keeping and Statistical Personnel. In cases where the responsibility for maintaining purchasing and stores records are inseparable, the related compensation may be accounted for in accordance with dominant responsibilities.

35 Other Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel whose activities are not identifiable with activities provided for in profit and loss accounts 21 through 34, inclusive.

36 Personnel Expenses.

(a) Record here expenses incurred by officers, executives, directors and other personnel, whether for the benefit of the air carrier or for the private benefit of such persons, which are directly or indirectly borne by the air carrier.

(b) This account shall include allowances in lieu of expenses as well as expenses incurred for travel, lodgings, meals, entertainment of individuals or groups of individuals, and membership fees and dues in professional or social clubs and associations.

(c) Records shall be maintained in a conveniently accessible form which will separately and clearly document each charge to this account in terms of its natural characteristics and contribution to the performance of the air carrier's transport operations. The records shall be maintained in such manner as will identify specifically the persons incurring the cost and will facilitate the accumulation of costs to be reported on schedule G-42 of CAB Form 41. Costs for standby hotel or other facilities maintained for the air carrier's personnel generally, need not be allocated among the individuals using such facilities; however, sufficiently detailed records are required to identify the use made of such facilities by each individual.

37 Communications Purchased.

Record here expenses, including related taxes, incurred for rental of communication services and for communication services of all types and classes not provided by personnel of the air carrier, such as telegraph, telephone, teletype, private line services, and charges for communication services from organizations operated jointly with associated companies or others.

38 Light, Heat, Power and Water.

Record here charges related to the provision of light, heat, power and water, including related taxes.

39 Traffic Commissions.

(a) Record here charges by others, including associated companies, for commissions arising from sales of transportation. Commissions, fees or other charges incurred for general agency services, as opposed to commissions arising from sales of transportation, shall not be included in this account but in profit and loss account 42 General Services Purchased—Associated Companies or profit and loss account 43 General Services Purchased—Outside, as appropriate.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

39.1 *Commissions—Passenger.*

Record here charges for commissions arising from sales of passenger transportation.

39.2 *Commissions—Property.*

Record here charges for commissions arising from sales of nonpassenger transportation.

40 Legal Fees and Expenses.

Record here expenditures incurred for legal services by counsel retained on a fee basis and related expenses reimbursed or borne directly by the air carrier and other expenses incurred directly by the air carrier for legal supplies not obtainable from the air carrier's general stationery stock. This account shall not be charged with legal fees or expenses incurred in connection with claims occasioned by accidents or other casualties. Such charges shall be accumulated in balance sheet account 1890 Other Deferred Charges and cleared to profit and loss account 58 Injuries, Loss and Damage upon settlement of insurance claims. Nor should this account include fees or expenses related to developmental projects. Such expenses shall be included as appropriate in profit and loss account 89 Miscellaneous Nonoperating Debits or balance sheet account 1830 Developmental and Preoperating Costs.

41 Professional and Technical Fees and Expenses.

Record here fees and expenses, other than legal fees and expenses, incurred for outside professional and technical services which are reimbursed or borne directly by the air carrier. This account shall not include fees or expenses related to developmental projects. Such expenses shall be included, as appropriate, in profit and loss account 89 Miscellaneous Nonoperating Debits or balance sheet account 1830 Developmental and Preoperating Costs.

42 General Services Purchased—Associated Companies.

(a) Record here charges for services performed for the air carrier by associated companies which are not identifiable with services provided for in profit and loss accounts 37 through 41, inclusive, or which are not expressly identifiable with other objective expense accounts.

(b) Charges from associated companies for services provided the air carrier under aircraft interchange agreements or other agreements embracing a complete activity or service such as the operation of jointly used ground facilities, shall be included in this account for each operating function to which the services contribute. Charges for providing aircraft capacity including charges for depreciation and interest on the capital related to the flight equipment provided shall be included in function 5100 Flying Operations.

(c) This account shall be subdivided as follows by each air carrier group:

GROUP II AND GROUP III AIR CARRIERS

42.1 *Airframe Repairs—Associated Companies.*

Record here charges by associated companies for maintenance or repair of airframes and spare parts related to airframes owned or leased by the air carrier. Charges by associated companies for maintenance of airframes provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

42.2 *Aircraft Engine Repairs—Associated Companies.*

Record here charges by associated companies for maintenance or repair of aircraft engines including spare parts related to aircraft engines owned or leased by the air carrier. Charges by associated companies for maintenance of aircraft engines provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

42.3 *Other Flight Equipment Repairs—Associated Companies.*

Record here charges by associated companies for maintenance or repair of flight equipment (including instruments) owned or leased by the air carrier, other than airframes, aircraft engines, and spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines. Charges by associated companies for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

GROUP I AIR CARRIERS

42.6 *Flight Equipment Repairs—Associated Companies.*

Record here charges by associated companies for maintenance or repair of flight equipment of all types and classes owned or leased by the air carrier. Charges by associated companies for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

ALL AIR CARRIER GROUPS

42.7 *Aircraft Interchange Charges—Associated Companies.*

Record here charges by associated companies for providing aircraft capacity or services related to the direct operation or maintenance of flight equipment under aircraft interchange agreements.

42.8 *General Interchange Service Charges—Associated Companies.*

Record here charges by associated companies for services provided the air carrier under aircraft interchange agreements, other than charges related to the direct operation or maintenance of flight equipment, including all charges for maintenance and repair of ground properties, as well as fees or charges for traffic solicitation and sales, or supervision and administration covered by the aircraft interchange agreements. Charges for depreciation or interest on capital related to flight equipment provided under interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

42.9 *Other Services—Associated Companies.*

a. Record here charges for services performed by associated companies not provided for elsewhere.

b. This subaccount shall include only those charges for services, not provided for in profit and loss accounts 37 to 41, inclusive, and subaccounts 42.1 to 42.8, inclusive embracing a complete activity or service provided by associated companies, such as the operation of traffic offices or other facilities used jointly with the air carrier, which do not represent reimbursement of specific expense elements incurred expressly for the benefit of the air carrier. Reimbursement of expenses incurred expressly for the benefit of the air carrier shall be entered in appropriate personnel compensation or other objective expense accounts. The cost of services received in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance; and services received in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenace Burden.

43 General Services Purchased—Outside.

(a) Record here charges for services performed for the air carrier by other than associated companies which are not identifiable with services provided for in profit and loss accounts 37 through 41, inclusive, or which are not expressly identified with other objective expense accounts.

(b) Charges from others for services provided the air carrier under aircraft interchange agreements or other agreements embracing a complete activity or service, such as the operating of jointly used ground facilities, shall be included in this account for each operating function to which the services contribute. Charges for providing aircraft capacity, including charges for depreciation and interest on the capital related to the flight equipment provided, shall be included in function 5100 Flying Operations.

(c) This account shall be subdivided by each air carrier group, as follows:

GROUP II AND GROUP III AIR CARRIERS

43.1 *Airframe Repairs—Outside.*

Record here charges for maintenance or repair of airframes and spare parts related to airframes owned or leased by the air carrier. Charges by others for maintenance of airframes provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

43.2 *Aircraft Engine Repairs—Outside.*

Record here charges for maintenance or repair of aircraft engines, including spare parts related to aircraft engines owned or leased by the air carrier. Charges by others for maintenance of aircraft engines provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

43.3 *Other Flight Equipment Repairs—Outside.*

Record here charges for maintenance or repair of flight equipment (including instruments) owned or leased by the air carrier, other than airframes, aircraft engines, and

spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines. Charges by others for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

GROUP I AIR CARRIERS

43.6 *Flight Equipment Repairs—Outside.*

Record here charges for maintenance or repair or flight equipment of all types and classes owned or leased by the air carrier. Charges by others for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

ALL AIR CARRIER GROUPS

43.7 *Aircraft Interchange Charges—Outside.*

Record here charges by other than associated companies for providing aircraft capacity or services related to the direct operation or maintenance of flight equipment under aircraft interchange agreements.

43.8 *General Interchange Service Charges—Outside.*

Record here charges by others, except associated companies, for services provided the air carrier under aircraft interchange agreements, other than charges related to the direct operation or maintenance of flight equipment, including all charges for maintenance and repair of ground properties, as well as fees or charges for traffic solicitation and sales, or supervision and administration covered by the aircraft interchange agreements. Charges for depreciation or interest on capital related to flight equipment provided under interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

43.9 *Other Services—Outside.*

Record here charges for maintenance and repair of ground property and equipment of all types and classes and other charges for services performed by others not provided for elsewhere. This subaccount shall include only those charges for services not provided for elsewhere in profit and loss accounts 37 to 43 embracing a complete activity or service provided by other than associated companies such as the operation of traffic offices or other facilities used jointly with the air carrier which do not represent reimbursement of specific expense elements incurred expressly for the benefit of the air carrier. Reimbursement of expenses incurred expressly for the benefit of the air carrier shall be entered in appropriate personnel compensation or other objective expense accounts. The cost of services received in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance; and services received in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

44 Landing Fees.

Record here the charges and fees incurred for landing of aircraft while in line operation.

45 Aircraft Fuels and Oils.

(a) Record here the cost of fuels and oils issued from stocks of the air carrier, or delivered directly by others, to aircraft for use in flight operations. Adjustments of inventories of aircraft fuel and oil shall also be entered in this account. The cost of fuels and oils used in repairs and maintenance services and nonrefundable fuel and oil taxes shall not be included in this account but in profit and loss accounts 49 Shop and Servicing Supplies and 69 Taxes—Other than Payroll, respectively.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

45.1 *Aircraft Fuels.*

Record here the cost of fuels used in flight operations.

45.2 *Aircraft Oils.*

Record here the cost of oils used in flight operations.

46 Maintenance Materials.

(a) Record here the cost of materials and supplies consumed directly in specific property and equipment maintenance projects.

(b) This account shall be subdivided as follows:

GROUP II AND GROUP III AIR CARRIERS

46.1 *Materials—Airframes.*

Record here the cost of materials and supplies consumed directly in maintenance of airframes and spare parts related to airframes.

46.2 *Materials—Aircraft Engines.*

Record here the cost of materials and supplies consumed directly in maintenance of aircraft engines and spare parts related to aircraft engines.

46.3 *Materials—Other Flight Equipment.*

Record here the cost of materials and supplies consumed directly in maintenance of flight equipment (including instruments) other than airframes and aircraft engines, or spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines.

GROUP I AIR CARRIERS

46.6 *Materials—Flight Equipment.*

Record here the cost of materials and supplies consumed directly in the maintenance of flight equipment of all types and classes.

ALL AIR CARRIER GROUPS

46.9 *Materials—Ground Property and Equipment.*

Record here the cost of materials and supplies consumed directly in the maintenance of ground property and equipment of all types and classes. The cost of materials and supplies consumed in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance and materials and supplies consumed in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

47 Rentals.

Record here rentals, fee, or charges incurred in the use of property and equipment provided by others. When a lease arrangement provides that the amounts paid include charges for maintenance, insurance, or taxes, the amounts related thereto shall not be recorded in this account but in the appropriate expense account to which related.

49 Shop and Servicing Supplies.

Record here the cost of supplies and expendable small tools and equipment used in maintaining, servicing and cleaning property or equipment the cost of which cannot be directly assigned to a specific job or type of work.

50 Stationery, Printing and Office Supplies.

Record here the cost of stationery and forms used by the air carrier including the cost of engineering and shipping supplies.

51 Passenger Food Expense.

(a) Record here the cost of food and refreshments served passengers except food costs arising from interrupted trips.

(b) If the air carrier prepares its own food, the initial cost and expenses incurred in the preparation thereof shall be accumulated in a clearly identified clearing account through which the cost of food shall be cleared to this account, to profit and loss account 36 Personnel Expenses, and to profit and loss account 10 Hotel, Restaurant and Food Service on bases which appropriately allocate the cost of food served passengers, the cost of food provided employees without charge and the cost of food sold.

53 Other Supplies.

Record here the cost of supplies consumed and not provided for otherwise.

54 Inventory Adjustments.

Record here adjustments for overage, shortage or shrinkage of inventories carried in balance sheet accounts 1310 Flight Equipment Expendable Parts and 1330 Miscellaneous Materials and Supplies. Adjustment of aircraft fuel and oil inventories shall not be included in this account but in profit and loss account 45 Aircraft Fuels and Oils. Gains or losses from retirements of materials and supplies shall not be recorded in this account but in profit and loss account 81 Capital Gains and Losses.

55 Insurance—General.

(a) Record here provisions for self-insurance and the cost of purchased public liability and property damage and all other general insurance except insurance covering liability for injuries, loss and damage to passengers and cargo, and insurance carried for the protection or welfare of employees.

(b) This account shall be subdivided as follows by all air carrier groups:

55.1 *Insurance Purchased.*

Record here the cost of all purchased insurance properly chargeable to this account.

55.2 *Provisions for Self-Insurance.*

Record here provisions for self-insurance against general risks, to be borne by the air carrier and properly chargeable to this account.

56 Insurance—Traffic Liability.

Record here the cost of purchased insurance and provisions for self-insurance

covering liability for injuries, loss and damage to passengers and cargo.

57 Employee Benefits and Pensions.

Record here all costs for the benefit or protection of employees including all pension expenses whether for payments to or on behalf of retired employees or for accruals or annuity payments to provide for pensions; and all expenses for accident, sickness, hospital, and death benefits to employees or the cost of insurance or provisions for self-insurance to provide these benefits. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees. Do not include vacation and sick leave pay, or salaries of doctors, nurses, trainees, or instructors, which shall be recorded in the regular salary accounts.

58 Injuries, Loss and Damage.

Record here the remainder of gains, losses or costs resulting from accidents, casualties or mishandlings, after offsetting insurance recoveries, as accumulated until finally determined, in balance sheet account 1890 Other Deferred Charges. This account shall not include gains or losses from retirement of property and equipment resulting from casualties. Such gains or losses shall be recorded in appropriate capital gains or losses accounts.

59 Tariffs, Schedules and Timetables.

Record here the production and distribution cost, excluding compensation of air carrier personnel, of all tariffs, operating schedules, timetables, circulars and related quick reference charts.

60 Advertising.

Record here the cost, excluding compensation of air carrier personnel, of all space, direct mail, spot and other advertising for the purpose of increasing air travel, disseminating air travel information and publicizing services offered by the air carrier.

62 Other Promotional and Publicity Expenses.

Record here the costs, excluding compensation of air carrier personnel, of producing and distributing publicity releases and other expenses, not chargeable to profit and loss accounts 59 and 60, incurred for the purpose of publicizing or improving the public relations of the air carrier generally.

63 Interrupted Trips Expense.

Record here expenses allowed or paid for the care and serving of passengers because of unscheduled interruptions in passenger journeys. Transportation refunds and the cost of forwarding traffic by surface common carrier or otherwise as a result of such interruptions shall not be charged to this account but to the appropriate operating revenue account.

64 Memberships.

Record here the cost of membership dues in trade associations, chambers of commerce, or other business associations and organizations together with special assessments related thereto.

65 Corporate and Fiscal Expenses.

Record here corporate and fiscal fees and expenses of the air carrier and all expenses in connection with exchange and transfer of capital stock excluding expenses in connection with original issuance of capital stock.

66 Uncollectible Accounts.

Record here losses from uncollectible accounts and reserve provisions and adjustments thereto, for such losses. When reserves for uncollectible accounts are established, losses as realized shall be charged against such reserves and shall not be charged to this account.

67 Clearance, Customs and Duties.

Record here clearance, customs, duties and brokerage fees and charges applicable to clearing aircraft and traffic.

68 Taxes—Payroll.

Record here all taxes levied against the air carrier based upon or directly relating to compensation of personnel.

69 Taxes—Other Than Payroll.

(a) Record here all taxes levied against the air carrier not otherwise provided for including nonrefundable aircraft fuel and oil taxes. Interest and penalties on delinquent taxes shall not be charged to this account but to profit and loss accounts 87 Interest Expense and 89 Miscellaneous Nonoperating Debits, respectively.

(b) Entries to this account shall clearly reveal each kind of tax and the governmental agency to which paid or payable.

71 Other Expenses.

Record here all expenses ordinarily associated with air transportation and its incidental services not provided for otherwise.

72 Flight Equipment Airworthiness Provisions.

(a) Record here provisions for effecting an equitable distribution of airframe and aircraft engine overhaul costs between different accounting periods and credits for overhaul costs currently incurred. (See section 5-4 (f) and (g) for applicable policy.)

(b) This account shall be subdivided as follows by all air carrier groups:

72.1 *Airworthiness Reserve Provisions—Airframes.*

Record here current provisions for effecting an equitable distribution of airframe overhaul costs between different accounting periods.

72.2 *Airworthiness Reserve Charges—Airframes (Credit).*

Record here credits for airframe overhaul costs incurred in the current period which have been charged against related airworthiness reserves.

72.6 *Airworthiness Reserve Provisions—Aircraft Engines.*

Record here current provisions for effecting an equitable distribution of aircraft engine overhaul costs between different accounting periods.

72.7 *Airworthiness Reserve Charges—Aircraft Engines (Credit).*

Record here credits for aircraft engine overhaul costs incurred in the current period which have been charged against related airworthiness reserves.

73 Provisions for Obsolescence and Deterioration—Expendable Parts.

(a) Where reserves for loss in value of flight equipment expendable parts are established, provisions for accruals to such reserves shall be charged to this account and credited to balance sheet account 1311 Obsolescence and Deterioration Reserves—Expendable Parts in accordance with the provisions of that account.

(b) This account shall be subdivided as follows by all air carrier groups:

73.1 *Current Provisions.*

Record here provisions during the current period for losses in value of expendable parts.

73.2 *Inventory Decline Credits.*

Record here credits applicable to the current period for any adjustments for excess inventory reserve levels determined pursuant to section 6-1311.

74 Amortization.

(a) Record here amortization of deferred charges attaching to the air transportation services conducted by the air carrier which are not prepayments of recurrent expenses ordinarily requiring expenditures of working capital within one year.

(b) This account shall be subdivided as follows by all air carrier groups:

74.1 *Developmental and Preoperating Expenses.*

Record here amortization of the cost of projects carried in balance sheet account 1830 Developmental and Preoperating Costs as approved or directed by the Civil Aeronautics Board.

74.2 *Other Intangibles.*

Record here amortization of the cost of intangibles not provided for otherwise as approved or directed by the Civil Aeronautics Board.

75 Depreciation.

(a) Record here provisions for depreciation of property and equipment carried in balance sheet accounts 1601 through 1640, inclusive.

(b) This account shall be subdivided as follows:

ALL AIR CARRIER GROUPS

75.1 *Depreciation—Airframes.*

Record here provisions for depreciation of property and equipment carried in balance sheet account 1601 Airframes.

75.2 *Depreciation—Aircraft Engines.*

Record here provisions for depreciation of property and equipment carried in balance sheet account 1602 Aircraft Engines.

GROUP II AND GROUP III AIR CARRIERS

75.3 *Depreciation—Airframe Parts.*

Record here provisions for depreciation of spare airframe instruments and parts carried in balance sheet subaccount 1608.1 Airframe Parts and Assemblies.

75.4 *Depreciation—Aircraft Engine Parts.*

Record here provisions for depreciation of spare aircraft engine instruments and parts carried in balance sheet subaccount 1608.5 Aircraft Engine Parts and Assemblies.

ALL AIR CARRIER GROUPS

75.5 *Depreciation—Other Flight Equipment.*

Record here provisions for depreciation of property and equipment and parts carried in balance sheet accounts 1603 Aircraft Propellers, 1604 Aircraft Communications and Navigational Equipment 1606 Miscellaneous Flight Equipment, 1607 Improvements to Leased Flight Equipment (exclusive of capitalized overhauls of leased flight equipment for which airworthiness reserves are maintained) and balance sheet subaccount 1608.9 Other Parts and Assemblies. Group I air carriers shall also include in this subaccount provisions for depreciation of property carried in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies.

75.6 *Depreciation—Flight Equipment.*

This classification is established only for purposes of control by the Civil Aeronautics Board and shall include all charges to operating expenses for depreciation of flight equipment of all types and classes.

75.8 *Depreciation—Maintenance Equipment and Hangars.*

Record here provisions for depreciation of property and equipment carried in balance sheet account 1634, Maintenance and Engineering Equipment and balance sheet subaccount 1640.1 Maintenance Buildings and Improvements.

75.9 *Depreciation—General Ground Property.*

Record here provisions for depreciation of property and equipment carried in balance sheet accounts 1630 through 1640, other than account 1634, Maintenance and Engineering Equipment and subaccount 1640.1, Maintenance Buildings and Improvements.

77 Uncleared Expense Credits.

(a) Record here credits to operating expenses, which have not been cleared to the objective accounts to which applicable.

(b) Each air carrier shall credit, or charge as appropriate, the objective account prescribed for each expense element which may be involved in distribution of expenses between separate reporting entities or nontransport divisions of the air carrier. At the option of the air carrier, either the individual applicable objective accounts or this account may be credited with amounts capitalized, charged against incidental services, or otherwise assigned to other than separate operating entities of the air carrier provided the aggregate credits to this account in each function do not, for any accounting year, distort the individual objective accounts of the function to which related and all expense credits applicable to complete individual transactions are consistently credited either to this account or the individual objective accounts to which related. Each air carrier using this account shall establish such standard practices as may be prescribed by the Civil Aeronautics Board or, in the absence of such action by the Civil Aeronautics Board, such standard practices as will prevent credits to this account from significantly distorting the individual objective accounts of each function to which related.

(c) This account shall not be credited with amounts applicable to objective accounts of the Flying Operations, Depreciation, and Direct Maintenance functions. Credits applicable to such functions shall be carried to the individual objective accounts to which applicable.

(d) This account shall be subdivided as follows by all air carrier groups:

77.8 *Uncleared Interchange Expense Credits.*

Record here credits to operating expenses, from operations performed for others under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

77.9 *Other Uncleared Expense Credits.*

Record here credits to operating expenses, from other than operations under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

78 Direct Maintenance—Flight Equipment.

This classification is established for purposes of control by the Civil Aeronautics Board and shall include all charges to operating expenses for maintenance of flight equipment of all types and classes.

79 Applied Burden Debit/Credit.

(a) This classification is established only for purposes of control by the Civil Aeronautics Board and reporting on Form 41 by air carriers, and shall reflect all maintenance burden applied in accordance with the provisions of section 24, schedule P–5 of this system of accounts and reports.

(b) This classification shall be subdivided as follows by all air carrier groups:

79.6 Applied Burden—Flight Equipment.
79.8 Applied Burden—General Ground Property.

Section 14—Objective Classification—Nonoperating Income and Expense

80 Imputed Interest Capitalized.

(a) Record here imputed interest capitalized pursuant to section 2–10 and charged to asset accounts.

(b) This account shall be subdivided as follows by all air carrier groups:

80.1 *Imputed Interest Capitalized—Credit.*

Record here credits related to imputed interest capitalized and recorded in asset accounts.

80.2 *Imputed Interest Deferred—Debit.*

Record here debits related to imputed interest deferred in balance sheet account 2390 Other Deferred Credits.

80.3 *Imputed Interest Deferred—Credit.*

Record here periodic credits for imputed interest, cleared to this account as the amount of such interest in the asset accounts is written off.

(80 Stat. 383, 5 U.S.C. 552) [ER–484, 32 F.R. 5368, Mar. 30, 1967]

81 Capital Gains and Losses.

(a) Record here gains or losses on retirements of property and equipment, repair parts, supplies or materials, and investments in securities. This account shall not include gains or losses on debt securities issued by the air carrier which have been reacquired and cancelled or resold. Such gains or losses shall be recorded, as appropriate, in profit and loss account 88 Miscellaneous Nonoperating Credits or 89 Miscellaneous Nonoperating Debits. Gains or losses on reacquisition and retirement or resale of capital stock issued by the air carrier shall not be included in this account but in paid-in capital subaccount 2890.3 Other Capital Stock Transactions. Gains or losses from property carried in balance sheet account 1520 Advances to Nontransport Divisions shall be accounted for in books of nontransport divisions and treated by the air carrier as a part of quarterly profit and loss of nontransport divisions taken up through profit and loss account 86 Income from Nontransport Ventures.

(b) This account shall be subdivided as follows by all air carrier groups:

81.1 *Capital Gains and Losses—Operating Property.*

Record here gains or losses on retirements of operating property and equipment, flight equipment expendable parts, or miscellaneous materials and supplies sold or otherwise retired in connection with a general retirement program as opposed to incidental sales performed as a service to others.

81.2 *Capital Gains and Losses—Other.*

Record here gains or losses on retirement of nonoperating property and equipment and investments in securities of others.

82 Unapplied Cash Discounts.

Record here cash discounts on routine purchases of materials, repair parts or supplies. Cash discounts on classes of assets included in property and equipment accounts shall not be recorded in this account but shall be applied as a reduction of the cost of such assets.

83 Interest Income.

(a) Record here interest income from all sources. This account shall include as an increase or reduction of interest received the proportionate amortization of any discount or premium on the purchase price of securities of others held by the air carrier.

(b) This account shall not include interest on securities issued or assumed by the air carrier and subsequently reacquired.

84 Income from Subsidiary Companies and Dividend Income.

(a) Record here income from the equity in net earnings or losses of subsidiary companies and income arising out of dividends declared on stocks of companies in which the air carrier owns 50 percent or less of the voting capital stock. Dividends on capital stock issued by the air carrier and subsequently re-

acquired shall not be included in this account.

(b) This account shall be subdivided as follows by all carrier groups:

84.1 Income from Subsidiary Companies.

Record here the equity in the current earnings or losses of subsidiary companies. Dividends declared on the stock of such companies shall not be included in this account as income, but shall be entered in balance sheet subaccount 1510.1 Investments in Subsidiary Companies, as a return of investment. The foregoing instructions shall not apply to investments in nontransport foreign subsidiary companies.

84.2 Dividend Income—Other than Subsidiary Companies.

Record here income from dividends declared on stocks of companies in which the air carrier owns 50 percent or less of the voting capital stock. Dividends declared on stock of subsidiary companies shall not be included in this account, but shall be entered in balance sheet subaccount 1510.1 Investments in Subsidiary Companies.

85 Foreign Exchange Adjustments.

Record here gains or losses from transactions involving currency conversions resulting from nonroutine, unusual changes in rates of foreign exchange in accordance with provisions of section 2-3.

86 Income from Nontransport Ventures.

(a) Record here the gross revenues and expenses applicable to operations not reasonably considered as incidental to the commercial air transport services of the accounting entity; rents from nonoperating properties used by others; income or loss from nontransport divisions; and other income or loss from activities of the air carrier which are extraneous to the air transport and incidental services of the accounting entity.

(b) This account shall include revenues and expenses applicable to nonscheduled transport services performed for the defense establishment when and as separate reports for such services are required in accordance with section 21 or 31, as applicable, Introduction to System of Reports. Where the foregoing transport services are not required to be separately reported, gross revenues from such services shall be included in profit and loss account 07 Charter and Special, or other appropriate revenue account, and gross expenses shall be included in the appropriate operating expense functions.

87 Interest and Debt Expense.

(a) Record here interest on all classes of debt, including interest on unpaid taxes; premium, discount, and expense on short-term obligations; and amortizations of premium, discount, and expense on short-term and long-term obligations. This account shall also include credits for interest capitalized and recorded in asset accounts pursuant to section 2-10.

(b) This account shall be subdivided as follows by all air carrier groups:

87.1 Interest on Debt Principal.
87.2 Interest Capitalized—Credit.
87.3 Amortization of Discount and Expense on debt.
87.4 Amortization of Premium on Debt.

88 Miscellaneous Nonoperating Credits.

(a) Record here all credits of a nonoperating character not provided for otherwise, such as royalties from patents, gains from the reacquisition and retirement or resale of debt securities issued by the air carrier, and intercompany credit adjustments.

(b) This account shall be subdivided as follows by all air carrier groups:

88.1 *Intercompany Transaction Adjustment—Credit.* Record here all intercompany credits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated companies are initially recorded and are to be settled as provided under section 2-18.

88.9 *Other.* Record here all other miscellaneous nonoperating credits not included in subaccount 88.1 Intercompany Transaction Adjustment—Credit.

89 Miscellaneous Nonoperating Debits.

(a) Record here all debits of a nonoperating character not provided for otherwise, such as fines or penalties imposed by governmental authorities; costs related to property held for future use; donations for charitable, social or community welfare purposes; losses on reacquired and retired or resold debt securities of the air carrier; losses on uncollectible nonoperating receivables or accruals to reserve for uncollectible nonoperating receivables; and intercompany debt adjustments. This account shall be charged with amortization of amounts carried in balance sheet account 1870 Property Acquisition Adjustment, unless otherwise approved or directed by the Civil Aeronautics Board.

(b) This account shall be subdivided as follows by all air carrier groups:

89.1 *Intercompany Transaction Adjustment—Debit.* Record here all intercompany debits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated companies are initially recorded and are to be settled as provided under section 2-18.

89.9 *Other.* Record here all other miscellaneous nonoperating debits not included in subaccount 89.1 Intercompany Transaction Adjustment—Debit.

Section 15—Objective Classification—Income Taxes for Current Period

91 Provision for Income Taxes.

(a) Record here quarterly provisions for accruals of Federal, State, local, and foreign taxes based upon net income, computed at the normal tax and surtax rates in effect during the current accounting year. In general, this account shall reflect provisions within each period for currently accruing tax liabilities as actually or constructively computed on tax returns, and any subsequent adjustments. This account shall include credits for refund claims arising from the carryback of losses in the year in which the loss occurs, credits for the carry-forward of losses in the year to which the loss is carried, and investment tax credits in the year in which each credit is utilized to reduce the liability for income taxes. (See section 2-6.) Income taxes shall be apportioned between members of a consolidated tax group in accordance with the provisions of section 2-18.

(b) This account shall be subdivided as follows by all carrier groups:

91.1 *Income Taxes Before Investment Tax Credits.* Record here accruals of income taxes based upon taxable income of the period.

91.2 *Investment Tax Credits Utilized.* Record here investment tax credits utilized to reduced the accrued liability for income taxes.

92 Provisions for Deferred Federal Income Taxes.

(a) Record her income tax debits and credits deferred in accordance with the provisions of balance sheet account 2340 Deferred Federal Income Taxes for those income elements specifically set forth in section 2-6(b).

(b) This account shall be subdivided as follows by all air carrier groups:

92.1 *Current Provisions for Deferred Taxes*
92.2 *Application of Taxes Deferred*
92.3 *Adjustment of Deferred Taxes*

93 Investment Tax Credits Deferred and Amortized.

(a) Record here investment tax credits of the current period which are transferred to balance sheet account 2345 Deferred Investment Tax Credits in accordance with the provisions of balance sheet account 2131 Accured Federal Income Taxes. This account shall also include amounts for previously deferred investment tax credits amortized during the current period.

(b) This account shall be subdivided as follows by all carrier groups:

93.1 *Investment Tax Credits Deferred.*
93.2 *Amortization of Deferred Investment Tax Credits.*

95 Excess Profits Taxes.

Record here provisions for accruals, adjustments, or refunds of Federal, State, local, and foreign taxes, over and above normal taxes and surtaxes, which are based upon income designated as excess net income for tax purposes.

Section 16—Objective Classification—Special Items

96 Special Income Credits and Debits (Net).

Record here extraordinary income credits or debits accounted for during the current accounting year, in accordance with the provisions of section 2-7. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each special income credit and each special income debit.

97 Special Income Tax Credits and Debits (Net).

Record here income taxes allocable to items of income included in profit and loss account 96 Special Income Credits and Debits (Net) and other extraordinary income tax assessments that do not constitute ordinary adjustments of a recurrent nature, in accordance with the provisions of section 2–7. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each special credit and each special debit.

OPERATING STATISTICS CLASSIFICATIONS

Section 19—Uniform Classification of Operating Statistics

Sec. 19–1 Chart of Operating Statistical Elements.

	Air transport traffic and capacity elements	*Service classes*
	AIRPORT-TO-AIRPORT TRAFFIC AND CAPACITY	
501	Interairport distance	Z.
110	Revenue passengers enplaned	A, C, E, G, L, N, P, R.
111	First class	A, E.
112	Coach	C, E.
210	Revenue cargo tons enplaned	A, C, E, G, L, N, P, R.
213	U.S. mail—priority	A, C, E, G, L, N, P, R.
214	U.S. mail—nonpriority	A, C, E, G, L, N, P, R.
215	Foreign mail	A, C, E, G, L, N, P, R.
216	Express	A, C, E, G, L, N, P, R.
217	Freight	A, C, E, G, L, N, P, R.
130	Revenue passengers transported	A, C, E, G, L, N, P, R.
131	First class	A, E.
132	Coach	C, E.
150	Nonrevenue passengers transported	A, C, E, G, L, N, P, R.
230	Revenue tops transported	A, C, E, G, L, N, P, R.
231	Passenger	A, C, E, G, L, N, P, R.
233	U.S. mail—priority	A, C, E, G, L, N, P, R.
234	U.S. mail—nonpriority	A, C, E, G, L, N, P, R.
235	Foreign mail	A, C, E, G, L, N, P, R.
236	Express	A, C, E, G, L, N, P, R.
237	Freight	A, C, E, G, L, N, P, R.
250	Nonrevenue tons transported	A, C, E, G, L, N, P, R.
310	Seats available	A, C, E, G, L, N, P, R.
311	First Class	A, E, G.
312	Coach	C, E, G.
270	Tons available	A, C, E, G, L, N, P, R.
410	Revenue aircraft miles flown	A, C, E, G, L, N, P, R.
411	Scheduled	A, C, E, G.
412	Extra section	A, C, E, G.
430	Revenue aircraft miles scheduled	A, C, E, G.
431	Scheduled aircraft miles completed	A, C, E, G.
510	Revenue aircraft departures performed	A, C, E, G, L, N, P, R.
511	Scheduled service	A, C, E, G.
512	Extra section	A, C, E, G.
520	Revenue aircraft departures scheduled	A, C, E, G.
521	Scheduled aircraft departures completed	A, C, E, G.
	AIRCRAFT OPERATIONS	
420	Nonrevenue aircraft miles flown	Z.
610	Revenue aircraft hours (airborne)	A, C, E, G, L, N, P, R.
620	Nonrevenue aircraft hours (airborne)	Z.
621	Ferry	Z.
622	Personnel training	Z.
623	Developmental projects (costs not deferred)	Z.
624	Publicity (inaugural flights or similar hours)	Z.
625	Miscellaneous	Z.
630	Aircraft hours (ramp-to-ramp)	A, C, E, G, L, N, P, R.
640	Aircraft hours in capitalized projects (airborne)	Z.
	MISCELLANEOUS OPERATING ELEMENTS	
810	Aircraft days assigned to service—carrier's equip	Z.
820	Aircraft days assigned to service—carrier's routes	Z.
830	Hours on other carriers' interchange equipment (airborne).	Z.
840	Revenue hours on other carriers' interchange equipment (airborne).	Z.
850	Hours by others on carrier's interchange equipment (airborne).	Z.
921	Aircraft fuels issued (gallons)	Z.
922	Aircraft oils issued (gallons)	Z.

Sec. 19–2 Maintenance of data.

(a) Each air carrier shall maintain its operating statistics covering the movement of traffic according to the uniform classifications prescribed herein. Uniform codes are also prescribed for each operating element and service class for the convenience of the Board, and at the option of each carrier, may or may not be used for internal carrier purposes.

(b) Each carrier shall maintain data applicable to the specified traffic and capacity elements prescribed in Section 19–5, by general service classes as prescribed in section 19–4.

(c) As a general rule the data to be maintained shall represent measurements of physical operations reflected by the revenues and expenses, respectively, allocated to the same time period. Thus, aircraft capacity associated with deferred costs is to be separately maintained and identified in order that in any summarizations: (1) the capacity information associated with deferred costs may be excluded from capacity associated with costs of the current period; and (2) the revenue and related traffic measurements associated with such capacity may be credited to other flights.

(d) The classifications prescribed for traffic and capacity elements are designed to reflect, on a uniform basis, the physical factors relating to air transport operations as actually conducted. All such statistics shall be compiled in accordance with the definitions set forth in section 03. In principle, elements which are common to different statistics shall be measured on a consistent basis for all statistics of which they are a component. Thus, all aircraft-mile statistics applicable to a particular service or operation shall be compiled on a direct airport-to-airport mileage basis in terms of a consistent measurement of aircraft movement by flight stages. Similarly, all scheduled mileages and all scheduled departures shall be compiled as each flight is scheduled to be performed pursuant to the air carrier's published flight schedule, whereas scheduled miles performed and scheduled departures performed shall both be compiled in accordance with the pattern through which each point scheduled for service is actually served. Consistent with this principle, all statistics pertaining to actual operations shall be compiled in terms of each flight stage as actually performed.

(e) Separate sets of operating statistics shall be maintained for each operating entity as set forth in section 21.

(f) For convenience of reference each prescribed statistical element has been assigned a distinctive four-character alpha-numeric code. The first character of the four-character code denotes the basic class of service; for example, code AXXX denotes Scheduled First-Class Passenger-Cargo Service; code CXXX, Scheduled Coach-Passenger Cargo Service; and ZXXX, All Services. The last three characters denote the particular detailed operating element involved, with the first character of the last three characters denoting the basic operating element involved; for example, X1XX, passengers; X4XX, miles; and X9XX, miscellaneous information.

Sec. 19–3 Accessibility and transmittal of data.

Each air carrier shall maintain its prescribed operating statistics in a manner and at such locations as will permit ready availability for examination by representatives of the Board. Individual flight stage data for scheduled services as prescribed in section 19–5, summarized by flight number, service segment, service

class, and aircraft type, shall be transmitted to the Board on a monthly basis. Those air carriers having access to automatic data processing equipment shall utilize either magnetic ADP tapes or ADP punched cards for transmitting the prescribed data to the Board. Those air carriers not having access to automatic processing equipment shall utilize conventional documentary mediums of transmitting the data to the Board. Both ADP-oriented and documentary records shall be transmitted in accordance with standard practices to be established by the Board's Bureau of Accounts and Statistics. All such data shall be received by the Civil Aeronautics Board at its offices in Washington, D.C., no later than 30 days following the close of the month to which applicable.

Sec. 19-4 Service classes.

The statistical classifications are designed to reflect the operating elements attributable to each distinctive class of service offered. Accordingly, the operting elements shall be grouped in accordance with their inherent characteristics as follows:

(a) *Scheduled services.* For scheduled services, which shall include traffic and capacity elements applicable to air transportation performed between points prescribed in certificates of public convenience and necessity held by the air carrier for the transportation of individually ticketed passengers or waybilled cargo shipments (as differentiated from charter of aircraft) on flights performed pursuant to published schedules filed with the Board, including extra sections or other flights performed as an integral part of the published flight schedules, the following classifications shall be maintained, as applicable:

A000 Scheduled First Class Passenger-Cargo Service
C000 Scheduled Coach Passenger-Cargo Service
E000 Scheduled Mixed Passenger-Cargo Service
G000 Scheduled Cargo Service

(b) *Nonscheduled services.* For nonscheduled services, which shall include all traffic and capacity elements applicable to air transportation between pairs of points not prescribed in certificates of public convenience and necessity held by the air carrier, the performance of on-line aircraft charters, and other air transportation services not constituting an integral part of services performed pursuant to published schedules filed with the Board (but shall not include data applicable to flights performed as extra sections to published flight schedules, which shall be reported in the appropriate classification of scheduled services), the following classifications shall be maintained, as applicable:

L000 Nonscheduled Civilian Passenger-Cargo Service.
N000 Nonscheduled Military Passenger-Cargo Service.
P000 Nonscheduled Civilian Cargo Service.
R000 Nonscheduled Military Cargo Service.

(c) *All services.* This classification shall reflect, for the applicable elements, the aggregate amounts for all services performed by the operating entity:

Z000 All services

Sec. 19-5 Air transport traffic and capacity elements.

(a) Within each of the service classifications prescribed in section 19-4, data shall be maintained as applicable to specified air transport traffic and capacity elements.

(b) Under the category of airport-to-airport traffic and capacity data, data applicable to those traffic and capacity elements in scheduled services (including extra sections) which are directly related to the performance of air transportation over each service segment shall be maintained. Separate data with respect to each individual flight stage in scheduled service shall be maintained in a manner which will permit summarization by flight number, service segment, service class, and aircraft type for each monthly period.

(c) Under the category of aircraft operations, data applicable to movements of aircraft, which are not encompassed by the elements included in the airport-to-airport traffic and capacity data, shall be maintained. Effective January 1, 1971, aircraft hours shall be maintained for each flight stage operated in the scheduled service on the basis of both "airborne", and "ramp-to-ramp" time, and in a manner which will permit summarization of the operating elements by aircraft type and, where applicable, by service class for each monthly period.

(d) Under the category of miscellaneous operating factors, data applicable to operating elements not ordinarily assembled from sources associated with records of airport-to-airport traffic or aircraft movements shall be maintained. These elements shall be maintained in a manner which will readily permit identification with each aircraft type for each monthly period.

(e) The elements, by category and alph-numeric code, for which data are to be maintained in accordance with the above are as follows:

AIRPORT-TO-AIRPORT TRAFFIC AND CAPACITY DATA

Z501 International Distance. The great circle distance, in statute miles, between airports served by each flight stage, as published in the Civil Aeronautics Board's "Official Route and Mileage Manual." (See Part 247 of the Economic Regulations.)

X110 Revenue passengers enplaned. The number of revenue passengers enplaned. Effective January 1, 1971, data shall be maintained with respect to such enplanements to show for each airport subsequently served by each flight, the number of deplaning revenue passengers, i.e., the on-flight origin and destination thereof. Separate data shall be maintained as follows:

X111 First class.
X112 Coach.

X210 Revenue cargo tons enplaned. The total of revenue cargo tons enplaned. Effective January 1, 1971, data shall be maintained with respect to such enplanements to show for each airport subsequently served by each flight, the tons of deplaning revenue traffic, i.e., the on-flight origin and destination thereof, for each of the following classes:

X213 U.S. mail—priority.
X214 U.S. mail—nonpriority.
X215 Foreign mail.
X216 Express.
X217 Freight.

X130 Revenue passengers transported. The number of revenue passengers transported. Separate data shall be maintained as follows:

X131 First class.
X132 Coach.

X150 Nonrevenue passengers transported. The number of nonrevenue passengers transported.

X230 Revenue tons transported. The number of tons of revenue traffic transported. Separate data shall be maintained for each of the following classes of traffic:

X231 Passenger.
X233 U.S. mail—priority.
X234 U.S. mail—nonpriority.
X235 Foreign mail.
X236 Express.
X237 Freight.

X250 Nonrevenue tons transported. The number of nonrevenue tons of traffic transported.

X310 Seats available. The number of seats available. This figure shall reflect the actual number of seats available on the particular aircraft with which each flight stage is performed. Separate data shall be maintained as follows:

X311 First class.
X312 Coach.

X270 Tons available. The tons available. This figure shall reflect the payload capacity actually provided by the particular aircraft with which each flight stage is performed.

X410 Revenue aircraft miles flown. The revenue aircraft miles flown. All such data shall be maintained in accordance with the airport pairs between which service is actually performed whether or not in conformance with published schedules. At the option of the air carrier, aircraft miles may be developed from the data maintained for aircraft departures performed, described in code reference X510. Separate records shall be maintained as follows:

X411 Scheduled.
X412 Extra section.

X430 Revenue aircraft miles scheduled. The number of revenue aircraft miles scheduled. All such data shall be maintained in conformance with the airport pairs between which service is scheduled whether or not in accordance with actual performance. At the option of the air carrier, scheduled aircraft miles may be developed from the data maintained for scheduled aircraft departures, described in code reference X520.

X431 Scheduled aircraft miles completed. The aircraft miles performed on scheduled flights computed between only those scheduled points actually served. Service to nonscheduled points should not be considered in determining scheduled aircraft miles completed.

X510 Revenue aircraft departure performed. The number of revenue aircraft departures performed. Separate data shall be maintained for each of the following classes of performed departures:

X511 Scheduled.
X512 Extra section.

X520 Revenue aircraft departures scheduled. The number of revenue aircraft departures scheduled.

X521 *Scheduled aircraft departures completed.* The number of takeoffs performed at each airport pursuant to published schedules, exclusive of extra sections to schedule departures. This element should include only those scheduled departures included in element X520 which are actually performed.

AIRCRAFT OPERATIONS

Z420 Nonrevenue aircraft miles flown. The nonrevenue aircraft miles flown based upon the airport-to-airport distance of each flight stage. In circumstances where an interairport movement is not involved, the mileage may be computed by converting nonrevenue aircraft hours at the appropriate speed for the particular flight.

X610 Revenue aircraft hours (airborne). The revenue aircraft hours flown based upon the airborne time of each aircraft movement.

Z620 Nonrevenue aircraft hours (airborne). The aircraft hours flown in nonrevenue service based upon the "airborne" time of each aircraft movement. Separate data shall be maintained as follows:

Z621 Ferry.
Z622 Personnel training.
Z623 Developmental projects (costs not deferred).
Z624 Publicity (inaugural flights and similar hours).
Z625 Miscellaneous.

Z630 Aircraft hours (ramp-to-ramp). The aircraft hours flown in both revenue and nonrevenue services, based upon the "ramp-to-ramp" time of each aircraft movement.

Z640 Aircraft hours in capitalized projects (airborne). The aircraft hours flown in projects for which the associated costs have been deferred for subsequent disposition through amortization or otherwise. Both the airborne hours maintained here and the equivalent ramp-to-ramp hours shall be excluded from other aircraft hours data.

MISCELLANEOUS OPERATING ELEMENTS

Z810 Aircraft days assigned to service—carrier's equipment. The number of aircraft days that owned or rented aircraft are in the possession of the air carrier and assigned to services of the reporting air carrier or assigned to services of other carriers under aircraft interchange agreements. Aircraft days shall be allocated between operating entities as follows:

(1) Aircraft assigned exclusively to a particular operation shall be recorded for the operation to which assigned.

(2) Aircraft used interchangeably in two or more operating entities shall be prorated between entities on the basis of the ramp-to-ramp time the individual aircraft was in operation in each entity.

(3) The time of aircraft in maintenance or overhaul, or in reserve status, shall be assigned between operating entities on the basis of the relative ramp-to-ramp time all aircraft of the same type were in operation in each entity.

Z820 Aircraft days assigned to service—carrier's routes. The number of aircraft days that owned or rented aircraft and aircraft of others under interchange agreements are assigned to services performed by the air carrier.

Z830 Hours on other carriers' interchange equipment (airborne). The airborne hours flown with aircraft of others in both revenue and nonrevenue services of the air carrier under aircraft interchange agreements.

Z840 Revenue hours on other carriers' interchange equipment (airborne). The airborne hours flown with aircraft of others in revenue service of the air carrier under aircraft interchange agreements.

Z850 Hours by others on carrier's interchange equipment (airborne). The total airborne hours flown with aircraft owned or rented by the air carrier in the service of other air carriers under aircraft interchange agreements.

Z921 Aircraft fuels issued (gallons). The gallons of aircraft fuels issued during the current accounting period for both revenue and nonrevenue flights.

Z922 Aircraft oils issued (gallons). The gallons of aircraft engine oils issued during the current accounting period for both revenue and nonrevenue flights.

Sec. 19–6 Public disclosure of service segment data.

Service segment data in reports submitted by air carriers to the Board, in data banks on magnetic tape maintained at the CAB, and in tabulations prepared from the data banks by CAB shall not be disclosed, except as provided herein:

(a) Data relating to international operations (defined as follows: Service segments with one or both terminals outside of territory under U.S. jurisdiction; service segments coded as applicable to other than domestic operations pursuant to this Part 241, section 21(i); down-line deplanement data on domestic service segments when any down-line point is outside territory under U.S. jurisdiction; and traffic transported statistics on any domestic service segment that is immediately preceded by a service segment whose originating point is outside territory under U.S. jurisdiction), shall only be disclosed as follows:

(1) Twelve (12) months following the close of the calendar year to which the data relate, (i) to an air carrier currently submitting service segment data relating to international operations, as above defined, pursuant to the requirements of this Part 241; and (ii) to a legal or consulting firm or other organization designated by such air carrier to use on its behalf such data in connection with a specific assignment by such carrier.

(2) To foreign governments and foreign users as provided in formal reciprocal arrangements between the foreign and U.S. governments for the exchange of comparable service segment data.

(3) To the extent and for the purposes that International O&D Survey data are disclosed pursuant to paragraphs (2) and (3) of § 399.100.

(4) To such persons and in such circumstances as the Board determines to be consistent with its regulatory functions and responsibilities.

(b) Data relating to all operations other than international operations as defined in paragraph (a) of this section shall not be disclosed prior to 12 months following the close of the calendar year to which the data relate, except as follows:

(1) To parties to any proceeding before the Board to the extent that such data are relevant and material to the issues in the proceeding upon a determination to this effect by the hearing examiner assigned to the case or by the Board. Any data to which access is granted pursuant to this section may be introduced into evidence, subject to the normal rules of admissibility of evidence.

(2) To agencies and other components of the U.S. Government.

(3) To such other persons as the Board may determine to be in the public interest.

(c) The Board may, from time to time, publish summary information compiled from the service segment data, in a form which would not identify individual carrier data.

GENERAL REPORTING PROVISIONS—ROUTE AIR CARRIERS

Section 21—Introduction to System of Reports

(a) Each route air carrier subject to the Federal Aviation Act of 1958, as amended, shall file with the Civil Aeronautics Board, monthly, quarterly, semiannual and annual CAB Form 41 reports of financial and operating statistics as prescribed herein unless waiver is made by the Civil Aeronautics Board.

(b) The system prescribed provides for the submission by each air carrier of five classes of financial and operating statistics, on individual schedules of the CAB Form 41 report, grouped as follows:

A. Certification.
B. Balance Sheet Elements.
P. Profit and Loss Elements.
T. Traffic and Capacity Elements.
G. General Corporate Elements.
D. National Defense Elements.

(c) The prescribed system of reports provides that the frequency of reporting shall be monthly for some schedules, quarterly for some and annually for others. It also provides in some areas for the classification of air carriers into Group I, Group II, and Group III with the form and content differentiated as between groups.

(d) Each schedule of the prescribed CAB Form 41 report has been assigned a specific code. The prefix alphabetical codes A, B, P, T, G, and D, respectively, have been employed to denote certification, balance sheet, profit and loss, traffic and capacity, general corporate, and national defense elements. The digits immediately following the alphabetical prefix designate the particular schedule.

(e) Each air carrier shall submit to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, four (4) copies of each schedule, except as hereinafter indicated in section 22 General Reporting Instructions. All schedules are set up in units of eight sheets each with snap-out interleaf carbons between sheets. The first sheet of each set is of white opaque paper and the second of white translucent paper. The third, fourth, and fifth sheets are of green opaque paper and the sixth, seventh, and eighth are of buff opaque paper. The data columns of the first sheet of certain schedules are separated by perforations to permit disassembly for clipboard statistical processing. The remaining sheets are unperforated and are of a format which permits filing within binders designed for standard 8½" x 14" sheets. The four copies of each schedule filed with the Civil Aeronautics Board shall consist of the original white sheet and the three green sheets.

(f) Wherever practicable the sheets have been designed to permit machine tabulation. Upon approval by the Civil Aeronautics Board, the carrier may supply its own continuous-feed forms provided each schedule conforms with the specifications of the forms prescribed herein.

(g) A good quality black ribbon shall be used in preparing the original copy of each schedule submitted to the Civil Aeronautics Board. In no event shall ditto or similar processes be used nor shall any information be typed on the reverse side of copies submitted to the Civil Aeronautics Board.

(h) [Reserved]

(i) Four separate entities shall be established for the purpose of submitting the reports hereinafter prescribed. They are as follows: (1) Domestic operations; (2) operations via the Atlantic Ocean; (3) operations via the Pacific

Ocean; and (4) operations within the Latin American areas. With respect to the first classification, the domestic entity shall embrace all operations within the 50 States of the United States and the District of Columbia, and shall also include Canadian transborder operations. The reports to be submitted by each entity shall be comparable to those required of a distinct legal entity whether the reporting entity constitutes such an entity, a semiautonomous physically separated operating division of the air carrier, or an entity established for reporting purposes only.

The entities for which separate reports shall be made by the different air carriers are set forth below in the list entitled Route Air Carrier Reporting Entities.

ROUTE AIR CARRIER REPORTING ENTITIES

Air carriers	*Entities*
Airlift International, Inc.	Domestic, Latin America.
Air West, Inc.	Domestic.
Alaska Airlines, Inc.	Domestic.
Allegheny Airlines, Inc.	Domestic.
Aloha Airlines, Inc.	Domestic.
American Airlines, Inc.	Domestic, Pacific, Latin America.
Aspen Airways, Inc.	Domestic.
Braniff Airways, Inc.	Domestic, Latin America.
Caribbean-Atlantic Airlines, Inc.	Latin America.
Chicago Helicopter Airways, Inc.	Domestic.
Continental Air Lines, Inc.	Domestic.
Delta Air Lines, Inc.	Domestic, Latin America.
Eastern Air Lines, Inc.	Domestic, Latin America.
The Flying Tiger Line Inc.	Domestic, Pacific.
Frontier Airlines, Inc.	Domestic.
Hawaiian Airlines, Inc.	Domestic.
Kodiak Airways, Inc.	Domestic.
Los Angeles Airways, Inc.	Domestic.
Mohawk Airlines, Inc.	Domestic.
National Airlines, Inc.	Domestic, Atlantic, Latin America.
New York Airways, Inc.	Domestic.
North Central Airlines, Inc.	Domestic.
Northeast Airlines, Inc.	Domestic.
Northwest Airlines, Inc.	Domestic, Pacific.
Ozark Air Lines, Inc.	Domestic.
Pan American World Airways, Inc.	Domestic, Atlantic, Latin America, Pacific.
Piedmont Aviation, Inc.	Domestic.
Reeve Aleutian Airways, Inc.	Domestic.
San Francisco & Oakland Helicopter Airlines, Inc.	Domestic.
Seaboard World Airlines, Inc.	Atlantic.
Southern Airways, Inc.	Domestic.
TAG Airlines, Inc.	Domestic.
Texas International Airlines, Inc.	Domestic.
Trans Caribbean Airways, Inc.	Latin America.
Trans World Airlines, Inc.	Domestic, Atlantic, Pacific.
United Air Lines, Inc.	Domestic.
Western Air Lines, Inc.	Domestic, Latin America.
Western Alaska Airlines, Inc.	Domestic.
Wien Consolidated Airlines, Inc.	Domestic.

(j) As a general rule separate reports shall be filed for the air carrier and any associated company air carriers as defined in section 03. However, transactions of associated companies in which 100 percent equity control resides in the reporting air carrier shall be consolidated with transactions of the reporting air carrier when such associated companies perform services related to the transport operations of the reporting air carrier almost exclusively and are not engaged in air transportation for their own account.

(k) Generally, nonscheduled services shall be treated as an integral part of the reporting entity to which most closely related without regard to the geographic area in which such nonscheduled services may actually be performed. However, supplemental reports shall be made of nonscheduled services (including services for the Department of Defense) in areas not encompassed by the prescribed reporting entity in any month in which the available ton-miles of such nonscheduled services exceed 5 percent of the total available ton-miles of the reporting entity. Such supplemental reports shall continue until waived by the Board upon a showing that such nonscheduled operations will not in the subsequent 12-month period exceed the 5-percent limit. The supplemental reports to be filed each month or calendar quarter, as applicable, shall be comprised of report schedules D–1, P–5, T–1, and T–2. Transport and nontransport revenues pertaining to such separately reported nonscheduled services shall be reflected on schedule P–2 each quarter with appropriate cross-references inserted on schedules P–3 and P–4, as applicable.

(l) When and as required in the national interest, any air carrier which performs nonscheduled transport services for the Department of Defense shall, when directed by the Board, make separate reports for such services as if they were conducted by a physically separated transport entity. Such reports shall consist of schedules P–1 through P–9, T–1, and T–2. The letter "D" shall be inserted on such reports, following the schedule number of each P and T schedule. Where a carrier has more than one reporting entity, nonscheduled transport and nonscheduled Defense services shall be assigned to the reporting entity to which more closely related.

Section 22—General Reporting Instructions

(a) The CAB Form 41 report is comprised of schedules to be filed at the frequency indicated below. Four copies of each schedule shall be filed with the Civil Aeronautics Board and shall be received, or postmarked, on or before expiration of the indicated interval subsequent to the period for which the report is being made.

Schedule No.		Filing	
		Frequency	Postmark interval (days)
A	Certification	Quarterly	40
A–1	Status of Accounting Plans Required to be Filed	Annually	40
B–1	Balance Sheet	Monthly	30
B–2	Notes to Balance Sheet	Quarterly	40
B–3	Paid-In Capital; Self-Insurance Reserves and Appropriations of Retained Earnings; Deferred Income Taxes.	do	40
B–4	Reserve for Uncollectible Accounts; Accounts with Subsidiaries, Other Associated Companies and Nontransport Divisions.	do	40
B–5	Property and Equipment	do	40
B–7	Airframes and Aircraft Engines Acquired	do	40
B–7(a)	Reinvestment of Flight Equipment Capital Gains	(1)	(1)
B–7(b)	Flight Equipment Acquired	Quarterly	40
B–8	Property and Equipment Retired	do	40
B–8(a)	Flight Equipment Capital Gains Invested or Deposited for Reinvestment in Flight Equipment.	(1)	(1)
B–9	Inventory of Flight Equipment Spare Parts and Assemblies	Annually	90
B–10	Developmental and Preoperating Costs	Quarterly	40
B–12	Statement of Source and Application of Funds	do	40
B–13	Summary of Projected Financial Commitments and Related Deposits.	do	40
B–14	Summary of Property Obtained Under Long-Term Leases	do	40
B–41	Investments Held by, or for the Account of, Respondent	Annually	90
B–42	Accounts 1410 Short-Term Prepayments, 1550 Special Funds—Other, 1820 Long-Term Prepayments, 1880 Other Intangibles, 1890 Other Deferred Charges, 2390 Other Deferred Credits.	do	90
B–43	Inventory of Airframes and Aircraft Engines	do	90
B–44	Summary of Resources Exchanged With Affiliated Group Members and Other Associated Companies.	do	90
B–46	Long-Term and Short-Term Nontrade Debt	do	90
	Memorandum Subclassification of Ground Property Investment	Quarterly	50
P–1.1	Income Statement—Group I Air Carriers	do	40
P–1.2	Income Statement—Group II and Group III Air Carriers	do	40
P–1(a)	Interim Income Statement	Monthly	30
P–2	Notes to Income Statement	Quarterly	40
P–2(a)	Revenue Market Report	do	40
P–3	Transport Revenues; Depreciation and Amortization; Nonoperating Income and Expense (net).	do	40
P–3(a)	Income Taxes	do	40
P–4	Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments.	do	40
P–5.1	Aircraft Operating Expenses—Group I Air Carriers	do	40
P–5.2	Aircraft Operating Expenses—Group II and Group III Air Carriers.	do	40
P–5(a)	Components of Flight Equipment Depreciation	do	40
P–6	Maintenance; Passenger Service, and General Services and Administration Expense Functions—All Air Carrier Groups.	do	40
P–7	Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions—Group II and Group III Air Carriers.	do	40

Schedule No.		Filing	
		Frequency	Postmark interval (days)
P-8	Aircraft and Traffic Servicing, and Promotion and Sales Expense Subfunctions—Group III Air Carriers.	do	40
P-9.1	Distribution of Ground Servicing Expenses by Geographic Location—Group I Air Carriers.	do	40
P-9.2	Distribution of Ground Servicing Expenses by Geographic Location—Group II and Group III Air Carriers.	do	40
P-10	Payroll	do	40
P-41	Taxes	Annually	90
	Memorandum Subclassification of Selected Reported Expenses	Quarterly	50
T-1	Traffic and Capacity Statistics by Class of Service	Monthly	[2] 30
T-2	Traffic, Capacity, Aircraft Operations, and Miscellaneous Statistics by Type of Aircraft.	Quarterly	[2] 30
T-3	Airport Activity Statistics	do	[2] 30
T-6	Summary of Civil Aircraft Charters	do	40
T-7	Statistical Market Report	Monthly	30
T-41	Charter and Special Services Revenue Aircraft Miles Flown; Calculation of Limitation of Charter Trips.	([1a])	[2] 30
G-41	Persons Holding More Than 5 per centum of Respondent's Capital Stock or Capital.	Annually	90
G-42	Compensation and Expenses of All General Officers and Directors and of Management Personnel Receiving $20,000 or More Per Annum for Personal Services.	do	90
G-43	Compensation and Expenses of Persons and Firms (Other Than Directors, Officers and Employees) Receiving $5,000 or More During the Calendar Year.	do	90
G-44	Corporate and Securities Data	do	90
D-1	Services Performed for the Defense Establishment	Quarterly	40

[1] In accordance with the provisions of §§ 235.4 and 235.5 of Part 235 of this subchapter.
[1a] For the first 9 months and for the 12 months of each calendar year.
[2] Interval relates to receipt by the Board in Washington, D.C., rather than postmark for these schedules.

(b) Each air carrier shall file the schedules of the CAB Form 41 reports with the Civil Aeronautics Board in accordance with the above instructions, except that B and P report schedules for the final quarter of each calendar year may be extended to 90 days following the year's end: *Provided*, That preliminary schedules B-1 and P-1(a) are submitted within the standard prescribed 30-day filing period; and that preliminary schedules P-1.1 or P-1.2, P-3, and P-3(a) are submitted within the standard prescribed 40-day filing period. For the third month of any calendar quarter, schedule P.1(a) need not be filed, provided that schedule P-1.1 or P-1.2 for the quarter is submitted within 30 days rather than the standard prescribed 40-day filing period. Reports on schedules B-1 and P-1(a) for each month shall be withheld from public disclosure, subject to the same exceptions as those set forth in section 19-6, until such time as (1) the quarterly financial reports are due, (2) the quarterly financial reports are filed or (3) information covered by monthly reports is publicly released by the carrier concerned, whichever first occurs. At the request of an air carrier, and upon a showing by such air carrier that public disclosure of its preliminary year-end report would adversely affect its interests and would not be in the public interest, the Board will withhold such preliminary year-end report from public disclosure until such time as (1) the final report is filed, (2) the final report is due or (3) information covered by the preliminary report is publicly released by the carrier concerned, whichever first occurs.

(c) If circumstances prevent the filing of a report within the prescribed time limit, consideration will be given to the granting of an extension upon receipt of a written request therefor. Such a request must set forth good and sufficient reason to justify granting the extension, must set forth the date when the report can be filed, and be submitted sufficiently in advance of the due date to permit proper time for consideration and communication to the air carrier of the action taken. Except in cases of emergency no such request will be entertained which is not postmarked in sufficient time to normally reach the Civil Aeronautics Board at least 24 hours before the prescribed due date. If a request is denied, the air carrier remains subject to the filing requirements to the same extent as if no requests for extension of time had been made.

(d) Statements of accounting or statistical procedures required to be filed under this system of accounts and reports are recapitulated below. These statements or revisions thereof shall be filed prior to the date on which the procedures are to become effective and shall be regarded as accepted unless the carrier is notified of Board objections within 30 days after receipt. The Board may require modification of any previously effective procedure covered by such statements after 60-days' notice to the carrier. These statements shall be filed in triplicate, with each statement submitted on a separate page to facilitate processing and filing.

(1) Procedures for assigning or prorating profit and loss items between operating entities, as prescribed by section 2-1(b).

(2) Procedures for retroactive adjustments made to conform accounts with mail rate actions, as required by section 2-4(d).

(3) Procedures for accrual of self-insurance reserves, as prescribed by section 2-13(c).

(4) Procedures for establishment of expense equalization reserves, as prescribed by section 2-13(b).

(5) Procedures for depreciation of property and equipment, as prescribed by section 2-14(b).

(6) Procedures of accounting for airframe and aircraft engine overhauls and airworthiness reserves as prescribed by section 5-4(g)(8).

(7) Procedures for amortization of developmental and preoperating costs and other intangibles, as prescribed by section 5-5(b), section 6-1870(c), and section 6-1880.

(8) Procedures for the accrual of obsolescence and deterioration reserves for flight equipment expendable parts, as required by section 6-1311(d).

(9) Procedures for accrual of unearned transportation revenues, as prescribed by sections 2-17(b) and 6-2160(d).

(10) Procedures for assigning or prorating expenses between incidental services and transport operations, as prescribed by section 9-4600(d).

(11) Procedures for applying maintenance burden, as prescribed by section 10-5300(c), section 11-5300(c) and section 24, Schedule P-6, paragraph (f).

(12) Procedures for computing available seat-miles and available ton-miles for each aircraft type, as required by paragraph (g), in section 25, Schedule T-3.

(13) Procedures for the accrual of vacation liability, as required by Section 6-2120(c).

(14) Procedures for accounting for investments in subsidiary and other associated companies, including change in status from associated to subsidiary company, or vice versa, and adjustments in investment accounts, as prescribed by section 6-1510(c).

(e) All financial data reported on B, P, and G schedules shall reflect the status of the air carrier's books of account for the period for which report is being made and shall conform to the instructions of this Uniform System of Accounts and Reports. At the option of the air carrier financial data may be reported in thousands of dollars by Group III air carriers, and in whole dollars by Group I and Group II air carriers, by either dropping or rounding the hundreds of dollars and the cents respectively, provided all amounts are balanced within and between schedules and zero digits are inserted for the actual money amounts eliminated.

(f) Traffic and other operational statistics included in schedules of the CAB Form 41 reports shall reflect data pertaining to the month, quarter or 12-months-to-date period for which the report is being made.

(g) Adjustments correcting errors in previously reported traffic and other operational statistics shall not be included in data reported in schedules for the current period but shall be effected by submission of corrected schedules for the period to which applicable or, if only a few items are involved, by written notice and authorization to the Civil Aeronautics Board to correct previously filed reports except that any correction which amounts to less than one-half of one percent (0.5%) of the corrected amount for the month to which related may be included in the report for the current month provided the amount of

the correction is clearly noted on the Form 41 Report.

(h) All letters and statements of correction or revision of reported data shall be a part of the CAB Form 41 reports.

(i) All changes in accounting methods having a material impact upon the particular financial elements involved, and all changes in methods of computing and reporting traffic and capacity statistics having a material impact upon the particular statistic involved shall be adequately explained and identified in the report first reflecting such changes. Such explanations related to financial position or financial results shall be made on schedules B–2 and P–2—Notes to Balance Sheet and Notes to Income Statement, respectively. Changes in methods for computing or reporting traffic and capacity statistics shall be identified and explained on a separate sheet attached to the first report affected. (See sec. 2–16.) The reporting requirements shall not be construed, in any sense, as relieving the air carrier of the responsibility for conforming its procedures to those otherwise prescribed in this system of accounts and reports.

(j) All financial statements released by carriers to the public reflecting a financial position or operating results for dates or reporting periods not covered by reports on file with the Board shall be filed with the Board simultaneously with their public release.

FINANCIAL—ROUTE CARRIERS

Section 23—Certification and Balance Sheet Elements

Schedule A—Certification

(a) The certification of the CAB Form 41 report shall be signed by an elective corporate officer, executive or director, or such other person as may be authorized by the carrier to sign the certification provided a written authorization disclosing the individual's name and title is forwarded to the Civil Aeronautics Board. Since corrections or revisions of reported data are a part of the CAB Form 41 report, all correspondence relating to such matters shall be signed only by persons authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in Schedule A thereof, shall read as follows:

I, the undersigned _____

_____

(Title of officer in charge of accounts)

of the _____

(Full name of the reporting company)

do certify that this report and all schedules and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, surplus, and operating statistics for the periods reported in the several schedules; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Certificated Air Carriers prescribed by the Civil Aeronautics Board; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in explanations accompanying the financial and statistical statements.

Schedule A–1—Status of Accounting Plans Required To Be Filed

(a) This schedule shall be filed by all route carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The indicated data shall be entered on this schedule for each accounting plan listed in section 22(d).

(d) Columns 1 and 2 shall reflect the title of the accounting plan and its applicable section under this Uniform System of Accounts and Reports.

(e) Column 3 shall indicate for each plan, by insertion of either "Yes" or "No", whether the plan was revised this period.

(f) Columns 4 and 5 shall reflect for each plan the date filed with the Board and its effective date.

Schedule B–1 Balance Sheet

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall reflect the balances at the close of business on the last day of each calendar month for the overall or system operations of each air carrier in conformance with the provisions of sections 4, 5, and 6.

(c) Individual proprietors or partners shall report the aggregate capital contributed by the proprietor or partners in account 2890 Other Paid-In Capital.

Schedule B–2—Notes to Balance Sheet

(a) This schedule shall be filed by all route air carriers.

(b) All substantive matters which may influence materially interpretations or conclusions in regard to the financial condition of the air carrier which are not clearly identified in the body of the balance sheet shall be completely and clearly stated in this schedule and cross-referenced to the affected balance sheet account.

(c) The amounts and estimated delivery dates of any purchase commitments of material size and not of a recurrent routine character shall be explained on this schedule. In the case of commitments involving flight equipment, the amount for each equipment type may be given in total, including any engines, airframes and spares; but the number of airframes and the number of engines by type shall be given, as well as the estimated delivery date for each complete aircraft. Reports on commitments other than for flight equipment are required only in the December 31 report of each calendar year.

(d) The balances in subaccounts of balance sheet account 2390 Other Deferred Credits titled "Investment Tax Credits Available" and "Unrealized Investment Tax Credits" shall be set forth in this schedule as at the end of each calendar quarter.

(e) This schedule shall reflect at the end of each calendar quarter the amount reported in balance sheet account 1550 Special Funds—Other representing funds segregated, or on deposit with manufacturers, for the purchase of equipment, including any capitalized interest thereon. (See section 2–10 Capitalization of Interest.)

(f) The conversion from the cost method to the equity method of carrying investments in subsidiary companies shall be explained on this schedule and cross-referenced to Schedule P–2—Notes to Income Statement. Any change in the basis of accounting for investments in subsidiary and other associated companies (e.g., change from associated to subsidiary company or vice versa) shall be noted here and reported as required by section 22(d).

(g) Amounts of adjustments resulting from the physical verification of passenger revenue accounting practices required by section 2–17 shall be reported herein for the quarter in which the adjustment takes place.

Schedule B–3—Paid-in Capital; Self-Insurance Reserves and Appropriations of Retained Earnings; Deferred Income Taxes

(a) This schedule shall be filed by all route air carriers.

(b) Each class and series of the air carrier's capital stock, as at the end of each calendar quarter, shall be listed and the indicated information entered within the "Paid-In Capital" section of this schedule.

(c) All transactions and amounts affecting paid-in capital during the current quarter shall be fully explained for each class and series of capital stock to which related. Total paid-in capital and total treasury stock reported on this schedule as at the end of each calendar quarter shall agree with corresponding amounts reported on schedule B–1 Balance Sheet.

(d) Individual proprietors or partners shall reflect the name of the proprietor or each partner at the head of the columns captioned "Class of Stock" and the balance of contributions to the business entity by the proprietor or each partner on line 11 Total Paid-In Capital.

(e) All credits and debits to self-insurance reserves and appropriations of retained earnings, respectively, shall be identified and explained in the "Self-Insurance and Appropriations of Retained Earnings" section of this schedule. The balances of accounts 2950 Reserve for Self-Insurance and 2930 Appropriations of Retained Earnings as at the end of each calendar quarter shall agree with corresponding amounts reported on schedule B–1—Balance Sheet.

(f) Column 1 of the "Deferred Income Tax" section of this schedule shall identify the source of each type of tax deferral; for example, depreciation under § 167 of the Internal Revenue Code, or deferred training costs. The amounts reflected in column 2 shall agree with

amounts reflected in column 6 for the same sources at the close of the preceding quarter. The amounts reflected in column 6 shall, in aggregate, agree with amounts reported on schedule B–1 at the close of the current quarter for deferred income taxes. Columns 3, 4, and 5, respectively, shall reflect gross provisions, gross applications and adjustments of deferred income taxes during the current quarter for each tax source reflected in column 1. Adjustments reflected in column 5 shall be fully explained on schedule P–4 and cross-referenced thereto on this schedule.

Schedule B–4—Reserve for Uncollectible Accounts; Accounts With Subsidiaries, Other Associated Companies and Nontransport Divisions

(a) This schedule shall be filed by all route air carriers.

(b) Each reserve for uncollectible accounts shall be separately identified in the indicated section of this schedule. Columns 1 and 2 shall reflect the account number and the description of the asset against which each reserve is provided. The balance of each reserve as at the end of each quarter shall agree with corresponding amounts reported on schedule B–1—Balance Sheet.

(c) In the "Accounts With Subsidiaries, Other Associated Companies and Nontransport Divisions" section of this schedule, Column 1 shall list the name of each associated company and describe each nontransport division. Associated companies shall be separately grouped and subtotaled according to those in which the air carrier holds in excess of 50 percent of the voting capital stock and those in which the air carrier holds 50 percent or less of the voting capital stock. The respective groups shall be captioned "Subsidiaries" and "Other Associated Companies."

(d) Column 4 "Investments at Cost" shall reflect the cost to the air carrier at date of acquisition of investments in associated companies. The cost of investments in subsidiary companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity in Undistributed Earnings," shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.1 Investments in Subsidiary Companies. The cost of investments in other associated companies shall agree with the corresponding amounts in balance sheet subaccount 1510.2 Investments in Other Associated Companies.

(e) Column 5 "Equity in Undistributed Earnings" shall reflect the equity in undistributed earnings or losses of subsidiary companies since acquisition.

Schedule B–5—Property and Equipment

(a) This schedule shall be filed by all route air carriers.

(b) A complete report shall be made on this schedule for the overall or system operations conducted by the air carrier.

(c) Column 3, "Additions" shall reflect the book cost of property and equipment acquired and the cost of improvements, betterments or other additions to each class of property and equipment during the current quarter.

(d) Column 4, "Retirements" shall reflect the book cost of each class of property and equipment retired during the current quarter. The amounts in this column shall agree by accounts with the amounts shown in column 7 of Schedule B–8—Property and Equipment Retired.

(e) Column 5, "Transfers between Property Accounts" shall reflect the book cost of property and equipment reclassified between property and equipment accounts during the current quarter. Credit transfers from an account shall be indicated by an asterisk (*).

(f) Column 6, "Transfers between Other Accounts" shall reflect the cost of assets reclassified as between property and equipment and other balance sheet accounts during the current quarter and identification of the contra accounts affected by the transfer. Credit transfers shall be indicated by an asterisk (*). The cost of property and equipment and the related balances in reserves for depreciation and airworthiness at the end of each quarter shall agree with corresponding amounts reported on Schedule B–1—Balance Sheet.

(g) Column 8, "Reserve for Depreciation—Regulatory Components" shall include the accumulation of all provisions for losses due to use and obsolescence computed in accordance with such standards as may be or are prescribed for regulatory purposes. Colume 9, "Reserve for Depreciation—Other Components" shall reflect the difference between the amounts in columns 8 and 10 of this schedule. Column 10, "Reserve for Depreciation—Carrier Total" shall include the accumulations of all provisions for losses due to use and obsolescence accrued by carrier management for accounting purposes.

Schedule B–7—Airframes and Aircraft Engines Acquired

(a) This schedule shall be filed by all route air carriers except local service air carriers.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model. Airframe units leased from others for a period or more than 90 days shall be reported in a separate subsection of this schedule. In addition, a notation shall be made by license number of airframe units of the air carrier returned after lease to others for a period of more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(c) All dates shall indicate the day, the month and the year; shall be provided on a unit basis for airframes only; and, shall be reported for each aircraft engine group by date of transaction.

(d) Report shall be made in the quarter in which each airframe and each group of aircraft engines is actually acquired irrespective of whether the cost thereof is reflected in the property and equipment accounts during the current quarter or a subsequent quarter. If the cost data are not reflected in the current quarter a footnote to that effect shall accompany the report of acquisition. The costs shall be reported during the quarter in which determined and the equipment to which related shall be listed again in this schedule, with complete information, and shall be identified as being the same equipment reported at the earlier date.

(e) Column 2, "Date Placed in Transport Service" shall relate to airframes only and shall be the date on which each airframe was or will be placed in regular service by the reporting entity. If this date is not known at the time of submission of the report an estimated date bearing the notation "estimate" shall be provided with the exact date shown by footnote on a subsequent schedule B–7 in which the airframe is reidentified by license number, type of aircraft and date acquired.

(f) Column 8, "Maximum Continuous Horsepower" shall reflect the maximum continuous horsepower rating of each type of aircraft engine acquired. (See section 03 for definition as applied in this system of accounts and reports.)

(g) Column 9, "Aircraft Engines per Airframe" shall reflect the number of aircraft engines for which each acquired airframe is designed.

(h) Column 10, "Maximum Seat Capacity" shall reflect the number of passenger seats installed in each airframe acquired. When the configuration of airframes provides sleeping accommodations the passenger capacity shall be shown in terms of a sleeper version and a non-sleeper version. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(i) Column 11, "Cost" shall agree in totals for airframes and aircraft engines, respectively, with the corresponding cost of additions reported in schedule B–5, column 3, "Additions".

(j) Columns 12 and 15, "Reserve for Depreciation" and "Flight Equipment Airworthiness Reserves", respectively, shall include the amount of such reserves applicable to property and equipment transferred from nontransport divisions.

Schedule B–7(a)—Reinvestment of Flight Equipment Capital Gains

(a) This schedule shall be filed by each carrier which desires to establish that it is entitled to the benefit of Section 406(d) of the Act and which has filed schedule B–8(a) notifying the

Board that it has reinvested the capital gains reported thereon in flight equipment and/or used the capital gains in retirement of debt contracted for the purchase or construction of flight equipment.

(b) Column 1 "Description of Flight Equipment Acquired and Debt Retired" shall identify the specific items of flight equipment acquired, the applicable account number, and the particular issue of debt being retired including a description of the flight equipment for which such debt was contracted, the type of obligation, date of maturity, interest rate, commitment fees, and, if applicable, name of creditor.

(c) Column 2 "Date of Application of Gain" shall include the day, month, and year on which the gain was applied to each item of flight equipment or to liquidation of debt.

(d) Column 3 "Cost" shall include the total amount of cash or its equivalent actually paid to acquire each item of equipment or to liquidate debt incurred in the purchase or construction of flight equipment.

(e) Column 5 "Source of Gains" shall identify the gain, reported on schedule B–8(a), which has been reinvested.

(f) This schedule shall include a separate memorandum summary of the reequipment funds in account 1550 Special Funds—Other, under benefit of section 406(d) of the Act. The summary shall list the date of sale or other disposition from which the gain was derived and the related balance remaining in account 1550.

Schedule B–7(b)—Flight Equipment Acquired

(a) This schedule shall be filed by each local service air carrier.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model. Data pertaining to propellers, aircraft navigation and communication equipment, miscellaneous flight equipment, and flight equipment rotable parts and assemblies shall be reported in aggregate for each such property classification. Where the acquisition of various units of flight equipment is priced as a single transaction, the cost shall be apportioned to each classification and, within the airframe and engine classifications, to each airframe and each type or model of engine, respectively, with explanation in footnote. A separate subsection shall show, for each type of airframe acquired, the average value of items of navigation and communication equipment and miscellaneous flight equipment required for installation in ordinary operation. Airframe units leased from others for more than 90 days shall be reported in an additional subsection. Also, a notation shall be made by license number for airframe units of the air carrier returned after lease to others for more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(c) Dates for acquisition of individual airframes and groups of aircraft engines shall indicate the day, month, and year. Dates for all other flight equipment shall indicate the month and year of acquisition. The number of aircraft engines and propellers acquired shall be indicated in column 5 "Number of Units Acquired."

(d) Report shall be made in the quarter in which flight equipment is actually acquired irrespective of whether the cost thereof is reflected in the property and equipment accounts during the current quarter or a subsequent quarter. If the cost data are not reflected in the current quarter, a footnote to that effect shall accompany the report of acquisition. The costs shall be reported during the quarter in which determined, and the equipment to which related shall be listed again in this schedule with complete information and shall be identified as being the same equipment reported at the earlier date.

(e) Column 2, "Date Placed in Transport Service," shall relate to airframes only and shall be the date on which each airframe was or will be placed in regular service by the reporting entity. If this date is not known at the time of submission of the report, an estimated date bearing the notation "estimate" shall be provided with the exact date shown by footnote on a subsequent schedule B–7 (b) in which the airframe is reidentified by license number, type of aircraft and date acquired.

(f) Column 8, "Maximum Continuous Horsepower/Pounds Thrust" shall reflect, as appropriate, the maximum continuous horsepower rating or pounds of maximum continuous static thrust for each type of aircraft engine acquired. (See section 03 for definition as applied in this system of accounts and reports.)

(g) Column 9, "Aircraft Engines per Airframe" shall reflect the number of aircraft engines for which each acquired airframe is designed.

(h) Column 10, "Maximum Seat Capacity" shall reflect the number of passenger seats installed in each airframe acquired. When the configuration of airframes provides sleeping accommodations, the passenger capacity shall be shown in terms of a sleeper version and a non-sleeper version. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(i) Column 11, "Cost" shall agree in totals for each property classification with the corresponding cost of additions reported in schedule B–5 column 3, "Additions."

(j) Column 12, "Estimated Value of Overhaul Acquired" shall reflect the value of the remaining unexpired overhaul hours with respect to each airframe or aircraft engine, before relicensing is required, at the date of acquisition.

(k) Column 13, "Estimated Cost of Full Overhaul" shall reflect the entire cost of overhaul for each airframe and aircraft engine on either a periodic or phase overhaul basis. In the latter case, this column shall include the cost of all operations which would encompass a full overhaul. (See sec. 5–4(f) for definition of "overhaul".)

(l) Column 14, "Reserve for Depreciation" shall include the amount of such reserve applicable to property and equipment transferred from nontransport divisions.

(m) Column 15, "Estimated Residual Value" shall reflect in dollars the residual value assigned to the equipment acquired exclusive of any amount reported in columns 12 and 13.

(n) Column 16, "Estimated Depreciable Life (mos.)" shall reflect the estimated depreciable life of each airframe and each group of aircraft engines in months (e.g., 144).

Schedule B–8—Property and Equipment Retired

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported for the sale or retirement of each airframe, each type of aircraft engine (stating the number of units retired) and, to the extent retired along with airframes and engines, in aggregates by accounts, for operating property and equipment included in accounts 1603 through 1608 and nonoperating property and equipment included in accounts 1703 through 1708. Disposition of properties in accounts 1603 through 1608 and 1703 through 1708 not related to airframe and aircraft engine retirements shall be reported in a separate group for each account. Ground property and equipment disposed of shall be reported in aggregate for all accounts, with subdivisions between operating and nonoperating property and equipment. Airframe units leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule. In addition a notation shall be made by license number and name of lessee of airframe units leased to others for a period of more than 90 days. Airframe units leased under interchange arrangements shall not be so reported.

(c) Retirements shall be listed in the numerical sequence of the property and equipment account to which related.

(d) All dates shall include the day, the month and the year of each transaction.

(e) Column 7, "Cost" shall agree in totals for each account with the corresponding cost of property and equipment retired and as reported in schedule B–5, column 4, "Retirements".

(f) Column 10, "Realization" shall reflect the proceeds from disposition, including any insurance proceeds or amounts covered by a self-insurance reserve established in accordance with section 2–13(c).

(g) Column 12, "Gain or Loss" shall, in aggregate for retirements of all property and equipment together with gain or loss on sale of securities, agree with amounts reflected by the air carrier on schedule P–3 in profit and loss subaccounts 81.1 Capital Gains and Losses—Operating Property and 81.2 Capital Gains and Losses—Other.

(h) Column 13, "Disposition", shall reflect the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged if not sold. Items included in accounts 1603 through 1608, and 1703 through 1708, sold as a part of airframe or aircraft engine sales transactions, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected, while all ground property dispositions shall be reported in a single aggregate and need not be identified by names of the buyers.

Schedule B–8(a)—Flight Equipment Capital Gains Invested or Deposited for Reinvestment in Flight Equipment

(a) This schedule shall be filed by each carrier which desires to establish that it is entitled to the benefits of Section 406(d) of the Act and which has reinvested or intends to reinvest gains derived from the sale or other disposition of flight equipment pursuant to Part 235 of the Economic Regulations.

(b) Column 1, "Description of Flight Equipment Retired" shall identify the various items of flight equipment retired including the applicable account number.

(c) Column 2, "Date of Sale or Other Disposition" shall include the day, the month and the year on which each item was sold or otherwise disposed of within the meaning of § 235.1(b) of Part 235.

(d) Column 8, "Net Amount of Gain" shall reflect the net of column 5 minus columns 6 and 7; an entry shall be made transferring an amount equal to the amount in column 8 from account 2940 Unappropriated Retained Earnings to account 2930 Appropriations of Retained Earnings. If an initial measurement of gain is subject to adjustment to reflect losses which result upon collection of installment sales or in converting proceeds to cash, the adjustment should be reported at the time the loss is determined. Upon the investment of gains in flight equipment, an equivalent amount may be returned to account 2940 Unappropriated Retained Earnings.

(e) Column 9, "Disposition" shall reflect the name of the person or organization to which the flight equipment is sold or a notation as to the nature of the disposition if not sold.

(f) Columns 10 and 11 shall reflect the date and amount of each gain deposited in a re-equipment fund for reinvestment in flight equipment. Such deposits shall be recorded in account 1550 Special Funds—Other.

(g) Column 12 shall identify the assets in the fund and shall indicate the location of the fund if not in immediate physical possession of the air carrier.

(h) This schedule shall include a separate memorandum summary of the re-equipment funds in account 1550 Special Funds—Other, under benefit of section 406(d) of the Act. The summary shall list the date of sale or other disposition from which the gain was derived and the related balance remaining in account 1550.

Schedule B–9—Inventory of Flight Equipment Spare Parts and Assemblies

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported separately for each class of airframe parts, aircraft engine parts and other flight equipment parts, by types of airframes or aircraft engines to which applicable, or as "interchangeable" when applicable to more than one aircraft or engine type and shall be reported separately for expendable parts and rotable parts and assemblies. Expendable parts and rotable parts shall be separately grouped, subtotaled in columns 2 through 8, and identified in column 1 by asset account number.

(c) Column 2, "Inventory at End of Period" shall reflect the book balance for each class of parts and assemblies reflected in column 1 as at the close of the 12-month period for which report is being made and shall agree, in aggregate for expendable parts and rotable parts separately, with the respective balances reflected for such asset classifications in the current schedule B–1 Balance Sheet.

(d) Column 3, "Inventory Subject to Loss Provisions," shall reflect for each class of flight equipment expendable parts reflected in column 1 the predetermined level of inventory against which a reserve for loss in value is being accrued.

(e) Column 4, "Balance Beginning of Period," shall reflect the balance of accumulated valuation reserve provisions existing for each classification reflected in column 1 as at the beginning of the 12-month period for which report is being made and shall agree with the balances shown in column 7, Balance End of Period, on the next previous report.

(f) Column 5, "Provisions During Period," shall reflect for each classification shown in column 1 the net provisions to valuation reserves against flight equipment parts and assemblies during the 12-month period for which report is being made, net of adjustments for inventory declines. The amounts reported in this column for expendable parts shall agree with the amounts reported in account 73 for the same 12-month period.

(g) Column 6, "Retirements During Period," shall reflect for each classification shown in column 1 the portion of accumulated valuation reserve provisions for flight equipment parts and assemblies absorbed in abandonment or other retirements of parts and assemblies during the 12-month period for which report is being made.

(h) Column 7, "Balance End of Period," shall reflect the balance of accumulated valuation reserve provisions for each classification shown in column 1, existing as at the close of the 12-month period for which report is being made and shall agree, in aggregate for expendable and rotable parts, separately, with the respective current balances reflected for such asset classifications in schedule B–1 Balance Sheet.

(i) Column 8, "Cost Less Valuation Reserves," shall reflect the differences between columns 2 and 7.

Schedule B–10—Developmental and Preoperating Costs

(a) This schedule shall be filed by all route air carriers.

(b) Separate copies of this schedule shall be filed for projects directly applicable to each separate operating entity of the air carrier and for the air carrier as a whole covering projects which are applicable in common to all transport operating entities.

(c) Column 1 shall reflect an identification and complete description of each project for which costs are deferred in balance sheet account 1830. The description shall include the CAB Docket number in cases of projects involving a proceeding before the Civil Aeronautics Board.

(d) Explanation of the amounts included in column 3 shall disclose the general characteristics of the amounts deferred during the current quarter for each project, for example, the cost of regulatory proceedings; the cost of pilot, mechanic and ground crew training; special engineering; aircraft development flights; publicity flights; and route familiarization flights.

(e) Column 6, "Unamortized Balance—End of Quarter" shall in total agree, when aggregated for the air carrier as a whole, with the corresponding balance of account 1830 shown in schedule B–1—Balance Sheet.

(f) Column 7, "Development Costs Charged to Account 89" shall reflect costs incurred in projects which do not contribute to or protect air transportation services of the air carrier.

Schedule B–12 Statement of Source and Application of Funds

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) In determining funds from operations, net income as reported in item 9799 on Schedule P–1.2 shall be increased by the indicated nonfund charges and shall be decreased by nonfund credits such as gains on property retirements and undistributed earnings of subsidiaries. The nonfund credits shall be included net on line 6 "Other nonfund items." If the amount reported on line 6, line 12, or line 19 exceeds 5 percent of the total sources or applications, a foot-

note shall be added to this schedule disclosing the component amounts.

(d) Generally, all items shall be reported in gross amounts. Thus nonfund exchanges of bonds or capital stock for fixed assets shall be reported as a source of funds from the incurrence of debt or issuance of stock and a concurrent application of funds for the asset acquisition. Likewise, the conversion of debt for capital stock shall be reported as a source of funds for capital stock issued and an application of funds for the debt retired.

Schedule B–13 Summary of Projected Financial Commitments and Related Deposits

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The indicated data shall be reported in columns 2 through 9 for all firm programs for property acquisition and debt retirement. The total estimated cost of each program shall be reported in column 2, and the amounts reflected in columns 3 through 9 shall agree in total with the amount in column 2.

(d) Financing for which firm arrangements have been made to meet the total projected commitments shall be reported in columns 5 through 9 by appropriate caption under scheduled financing. Financing to be scheduled reported on line 21 shall equal line 12 minus line 17. The use of lines 19 and 20 to indicate, generally, whether funds to be scheduled are expected to be obtained through internal or external sources is optional.

Schedule B–14—Summary of Property Obtained under Long-Term Leases

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) This schedule shall reflect data for all leases in force at the report date which have a term or terms in excess of 3 years including terms of extension or renewal at the option of the lessee. However, leases of property and equipment, other than flight equipment, which are not of material financial impact may be excluded: *Provided*, That a statement is submitted for approval by the Board's Director, Bureau of Accounts and Statistics, which describes the policy applied for exclusion of leases not considered material and the percentage of the total lease commitment which they represent.

(d) Column 3 "Cost" shall reflect the estimated cost to the lessor if stipulated in the lease agreement. If the lessor's cost is not stipulated, it shall be determined, based on the cost of comparable owned property or equipment, the market value of comparable property or equipment of independent appraisals; and such estimates, together with sufficient documentary evidence and factual support, shall be submitted to the Director, Bureau of Accounts and Statistics, for approval.

(e) The indicated lease costs and approximate annual lease cost components shall be reported in columns 5 through 11. The imputed interest rate shall be reported in column 12 and the remaining months of the lease shall be reported in column 13. Column 14 shall indicate whether the lease contains purchase option provisions by insertion of the word "Yes" or "No."

Schedule B–41—Investments Held by, or for the Account of, Respondent

(a) This schedule shall be filed by all route air carriers.

(b) The data shall be grouped and separately subtotaled according to: (1) Investments in subsidiary companies; (2) investments in other associated companies, and investments in other than associated companies; and (3) notes and accounts receivable due to the air carrier one year beyond the date of the report.

(c) Column 1 shall reflect the name of each associated company, and each other issuer of securities held by the air carrier. This column shall also reflect the name of each company from which noncurrent notes and accounts receivable are due to the air carrier.

(d) Column 2 shall reflect the type of security, such as stocks, bonds, notes, etc., with respect to investments, and the words "a/c rec." or "notes rec.", as appropriate, with respect to noncurrent receivables.

(e) Column 3 shall reflect the words "yes" for investments held in the name of the air carrier and "no" for investments held in the name of others for the account of the air carrier.

(f) Column 4 "Cost" shall reflect the cost of the investments to the carrier. The cost of investments in subsidiary companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity or Book Value", shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.1 Investments in Subsidiary Companies. The cost of investments in other associated companies shall agree in total with corresponding amounts reflected in balance sheet accounts 1510.2 Investments in Other Associated Companies and 1530 Other Investments and Receivables, respectively.

(g) Column 5 "Equity or Book Value" shall reflect the equity in undistributed earnings or losses of subsidiary companies since acquisition, or the book value of investments in other associated companies and other than associated companies as of the date of this schedule. This column does not apply to investments in industry-owned service organizations which operate on a nonprofit basis.

(h) Column 6 "Number of Shares or Debt Principal Amount" shall reflect the number of shares of stock or the principal amount of bonds or notes held by the carrier.

Schedule B–42—Accounts 1410 Short-Term Prepayments, 1550 Special Funds—Other, 1820 Long-Term Prepayments, 1880 Other Intangibles, 1890 Other Deferred Charges, 2390 Other Deferred Credits

(a) This schedule shall be filed by all route air carriers.

(b) The data in this schedule shall be grouped and subtotaled for each indicated balance sheet account in numerical order and shall identify the nature and amount of each item included in each such balance sheet account as at the close of the current accounting period.

Schedule B–43—Inventory of Airframes and Aircraft Engines

(a) This schedule shall be filed by all route air carriers.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported on a group basis by type of engine and by type of aircraft to which related.

(d) Data in this schedule shall be grouped and subtotaled as between data pertaining to airframes and data pertaining to aircraft engines. Data pertaining to nonoperating airframes and aircraft engines shall be reported in a group below the data for operating equipment.

(e) The data to be reported shall include owned and rented airframes and aircraft engines currently in operation or in conversion. Data pertaining to rented airframes and aircraft engines shall be listed in columns 1 through 7 and in column 13; the cost of improvements thereto shall be listed in columns 8 through 12.

(f) Column 8, "Cost" shall agree in totals for owned and operating airframes and aircraft engines, respectively, with corresponding amounts reflected in accounts 1601 and 1602 in column 7 of Schedule B–5 as at December 31 of the reporting year.

(g) Column 9, "Reserve for Depreciation" shall include the accumulations of all provisions for losses due to use and obsolescence as recorded in balance sheet accounts 1611 Reserve for Depreciation—Airframes and 1612 Reserve for Depreciation—Aircraft Engines.

(h) Column 10, "Depreciated Cost" shall reflect Cost (column 8) less Reserve for Depreciation (column 9).

(i) Column 11, "Estimated Residual Value" shall reflect in dollars the residual value assigned to airframes and aircraft engines respectively, including any overhaul value not subject to depreciation.

(j) Column 12, "Estimated Depreciable Life (Months)" shall reflect the estimated depreciable life of each airframe and each group of aircraft engines.

(k) Column 13, "Flight Equipment Airworthiness Reserves or Maintenance Liability" shall include amounts accumulated for owned airframes and aircraft engines in account 1629 Flight Equipment Airworthiness Reserves and amounts accumulated for leased airframes and aircraft engines in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities.

(l) Totals for owned operating equipment shall agree with property and equipment accounts 1601 Airframes; 1611 Reserve for Depreciation—Airframes; 1602 Aircraft Engines; 1612 Reserve for Depreciation—Aircraft Engines; and 1629 Flight Equipment Airworthiness Reserves. The airworthiness liabilities for rented equipment included in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities shall be shown in column 13.

Schedule B–44—Summary of Resources Exchanged with Affiliated Group Members and Other Associated Companies

(a) This schedule shall be filed by all route air carriers.

(b) Single but separate sets of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) One set each shall be filed, and checked in the appropriate box, for resources acquired by the air carrier or its regulated activity, and one set each shall be filed and checked in the appropriate box for resources disposed of by the air carrier or its regulated activity. For these purposes, the amount at which any resources of other persons are hypothecated for the benefit of the air carrier will be considered a resource acquired and the amount at which any resources of the air carrier are hypothecated for the benefit of others will be considered a disposition of resources. Land, buildings, and equipment acquired from or provided other members of an affiliated group under a lease arrangement will be reported in the same manner but separately from resources hypothecated.

(d) The data reported on this schedule shall be grouped within each indicated classification for resources exchanged with separate but associated legal entities and for resources exchanged between the air carrier's regulated activities and separately organized nontransport divisions.

(e) Column 1 shall reflect under each indicated classification the name of each company or other organization with which resources of any type were exchanged during the calendar year. For this purpose income taxes determined on a consolidated basis within an affiliated group shall be classified as an operational service performed by the controlling person which constitutes resource acquisition (or resource purchased) when the tax allocation results in a charge and resource disposition (or a resource sold) when the tax allocation results in a credit for any tax year.

(f) Column 2 shall reflect for all resources exchanged during the calendar year with each company or other organization reflected in column 1 the aggregate of the invoice price and/or the cost to the provider, less any associated valuation reserve accumulations, as applicable under section 2–18 of this Part 241.

(g) Column 3 shall reflect the estimated market value counterparts of the resource amounts reflected in column 2.

(h) Column 4 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at invoice price or cost to the provider, as applicable. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(i) Column 5 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at estimated market value. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(j) Column 6 shall reflect the debit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which credit adjustments are entailed shall not be aggregated with transactions for which debit adjustments are entailed.

(k) Column 7 shall reflect the credit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which debit adjustments are entailed shall not be aggregated with transactions for which credit adjustments are entailed.

(l) Column 8 shall reflect the net of any current year adjustments with each company listed in column 1 which pertain to settlements of prior years and which are recorded in asset accounts 1250, 1510, or 1520 or liability accounts 2050, 2240, and/or 2245.

(m) Column 9 shall reflect, for each company or other organization, reflected in column 1, the aggregate of the settlements established which should equal the sum of amounts shown in columns 4 and 5 adjusted by the net of amounts shown in columns 6, 7, and 8. The amounts in this column shall conform with the balance of accruals for the year, before liquidation, to accounts 2050, 2240, and/or 2245 with respect to resource acquisitions and accounts 1250, 1510, or 1520 with respect to resource dispositions, for each company or other organization, reflected in column 1, and as reflected at year-end in Schedule B–4—Accounts With Subsidiaries, Other Associated Companies and Nontransport Divisions.

(n) Column 10 shall reflect the effective interest rate(s), if any, charged on any unliquidated balance of amounts at which resource acquisitions are to be settled and the effective interest rate(s), if any, received on any unliquidated balance of amounts at which resource dispositions are to be settled. Explanatory footnotes shall be used for reporting multiple interest rates or other conditions pertinent to an understanding of effective finance charges.

Schedule B–45 [Reserved]

Schedule B–46—Long-Term and Short-Term Non-Trade Debt

(a) This schedule shall be filed by all route air carriers and shall reflect information pertaining to each issue of long-term debt and short-term debt (other than trade liabilities) in excess of 5 percent of total outstanding debt.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) Column 1 shall reflect a description of each particular issue of debt, such as "Sinking Fund Debentures", "Bank Notes", "Credit Agreement", etc. This column shall also reflect for each issue a brief description of the terms of payment and, where applicable, conversion privileges, including conversion periods, rates of conversion and the securities into which convertible.

(d) Columns 2, 3, and 4 shall reflect the date of issue, date of maturity, and the interest rate per annum, respectively.

(e) Column 5 shall reflect the amount of bonds or other evidences of debt originally issued, as distinguished from the amount authorized.

(f) Columns 6 and 7 shall reflect the balance outstanding at the end of the reporting period in accounts 2210 Long-Term Debt and 2010 Current Notes Payable on Schedule B–1, respectively.

(g) Columns 8 and 9 shall reflect the name and address of holders of more than 5 percent of the issue or $500,000, whichever is smaller, showing for each such holder the amount held as at the end of the reporting period.

Memorandum Subclassification of Ground Property Investment

(a) This schedule shall be filed in duplicate by each Group III air carrier.

(b) This schedule shall include the net investment after depreciation and the current depreciation expense for ground property and equipment in the accounts listed on the schedule.

(c) Column 1 lists the accounts and subclassifications in which the ground property or equipment is to be reported, according to its use in the normal course of the carrier's operations. "General" and "other" subclassifications are provided for units of property normally utilized in more than one type of service or for other than the services listed. With respect to account 1636 Furniture, Fixtures and Office Equipment, data processing equipment used for reservations purposes shall be included in the data processing equipment subclassification; all other technical reservations equipment, such as remote inquiry stations, whether at reservations control centers or at ticket counters, shall be classified as reservations equipment.

Section 24—Profit and Loss Elements

Schedule P–1.1—Income Statement—Group I Air Carriers

Schedule P–1.2—Income Statement—Group II and Group III Air Carriers

(a) Schedule P–1.1 shall be filed by each Group I route air carrier and sched-

ule P–1.2 shall be filed by each Group II air carrier and each Group III air carrier.

(b) Separate income statements shall be filed, covering all indicated items through "Net Income After Special Items" for each separate operating entity of the air carrier and for the overall, or system, operations of the air carrier. The indicated items following "Net Income After Special Items" shall be reported on only the income statement filed for the air carrier's system.

(c) Data reported on this schedule shall conform with the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

(d) Data reported in the "12-Months-to-Date" column shall represent for each individual item the sum of amounts reported in the "Quarter" column for the current and next previous three quarters.

(e) "Unappropriated Retained Earnings—Beginning of Period" shall be the sum of the balances of "Unappropriated Retained Earnings" and "Net Income—Year to Date" reported on the balance sheet as at the close of the corresponding quarter of the previous year, in the case of the "12-Months-to-Date" column, and as at the close of the previous quarter, in the case of the "Quarter" column.

(f) "Unappropriated Retained Earnings—End of Period" shall be, in the cases of both the "12-Months-to-Date" and "Quarter" columns, the sum of the balances of "Unnappropriated Retained Earnings" and "Net Income—Year to Date" reported on the balance sheet as at the close of the current quarter.

Schedule P–1(a) Interim Income Statement

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) Data reported on this schedule shall reflect the results of operations for the month covered by the report and shall conform to the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

Schedule P–2—Notes to Income Statement

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity and for the overall or system operations of the air carrier.

(c) All substantive matters which may influence materially interpretations or conclusions in regard to the earnings position of the air carrier which are not clearly identified in the body of the income statement shall be completely and clearly stated in this schedule and cross-referenced to the affected profit and loss account.

(d) Each air carrier shall include on this schedule a description of each interruption in air transport operations, the aggregate effect of which is ten (10) percent or more of the scheduled revenue plane-miles which, except for the interruption, would have been operated during the month or either of two consecutive months affected. The information to be reported for each such interruption in operations shall consist of: (1) For the report period in which partial or complete interruption first occurs, the nature of the interruption and dates of partial and/or complete cessation of operations, as applicable; (2) for each report period until full resumption of operations, an estimate of the revenue plane-miles canceled in each month of the quarter because of the interruption; and (3) for the report period in which scheduled operations are resumed, dates of partial and/or complete resumption, as applicable.

(e) Each air carrier having currently effective deferred airfreight tariffs on file with the Board shall report information with respect thereto covering the current quarter as follows: (1) Number of shipments enplaned; (2) weight of shipments enplaned (tons to one decimal place); (3) ton-miles carried (000); and (4) revenues earned.

(f) Dividends declared in the current period on stocks of subsidiary companies shall be noted on this schedule.

(g) Each air carrier performing paid positioning flights shall report with respect thereto, by months, aircraft departures, aircraft miles, and airborne hours for civilian passenger-cargo, civilian all-cargo, military passenger-cargo, and military all-cargo charters.

Schedule P–2(a)—Revenue Market Report

(a) This schedule shall be filed by all route air carriers conducting operations set forth in paragraph (c) below.

(b) Data reflected on this schedule shall be supplements to the related entity report in which the data are included.

(c) Markets to be reported are:

Mainland-Hawaii.
Mainland-Alaska.
Mainland-Puerto Rico.
Mainland-Bermuda.
Mainland-Bahamas.
Mainland-Mexico.
Hawaii-Alaska.

and such other markets as may be designated by the Board.

Schedule P–3—Transport Revenues; Depreciation and Amortization; Nonoperating Income and Expense (Net)

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Transport revenues shall reflect the aggregate revenues from each indicated class of traffic carried in both scheduled and nonscheduled services. The sum of the subdivisions of each objective account shall agree with the corresponding amounts reported in schedule P–1—Income Statement. In the event the air carrier performs irregular transport services, in addition to charter and special services and scheduled services, separate sets of this schedule shall be filed for the reporting of schedule transport services and for nonscheduled transport services, respectively, and the service to which each report applies shall be entered in the box at the head of each of the two amount columns following "Period Ended".

(d) Depreciation and Amortization, and Nonoperating Income and Expense (Net), respectively, shall reflect the indicated detail applicable to the corresponding amounts reported in Schedule P–1—Income Statement.

Schedule P–3(a)—Income Taxes

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Report in accounts 91.*1* through 93.*2*, respectively, the amount for each as reflected in the books of account. Accounts 93.*7*, 93.*8*, and 93.*9* shall reflect income taxes for the current period, income taxes on special items, and total income taxes, respectively. Lines 1 through 16 shall reflect a memorandum allocation of income taxes and investment tax credits as between operating profit and loss and nonoperating income and expense (net). Before computing the allocation, operating profit and loss (line 1) and nonoperating profit and loss (line 9) shall be adjusted as indicated for the impact of interest expense (lines 2 and 10). Income taxes on operating income and nonoperating income, thus adjusted, shall be allocated on the basis of the proportion of each to the total and entered on lines 4 and 12, respectively. Investment tax credits allocated to the cost of service and amortizations thereof shall be entered on lines 5 and 6 and those *not* allocated to the cost of service shall be entered on lines 13 and 14.

Schedule P–4—Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Incidental revenues—net shall be reported in this schedule in conformance with the instructions pertaining to each item in section 9–4600 Incidental Revenues—Net.

(d) Receipts from and payments to other air carriers under agreements providing for mutual financial assistance in the case of work stoppage shall be identified in separate amounts for the individual air carriers involved, through appropriate footnote on schedule P–2 and shall be cross-referenced to account 18 Other Incidental Revenues reflected in this schedule. The note covering payments under such agreements shall identify the items and the amounts of the gross revenues and gross expenses upon

which the payments to each air carrier are predicated.

(e) The aggregate of all net incidental revenues reported in this schedule shall agree with the corresponding net amount reported for classification 4600 Incidental Revenues—Net, in schedule P–1.

(f) Each special income item shall be fully identified and reported in gross amount in this schedule.

(g) Special credits to income during the current accounting period shall be identified in positive amounts and any special debits to income shall be identified by asterisks (*).

(h) Special income and special income tax credit and debit items shall be reported separately.

(i) The net of special income items and the net of special income tax items reported in this schedule shall agree with corresponding amounts reported in schedule P–1.

(j) Deferred federal income tax adjustments shall be fully explained in the bottom section of this schedule. The explanations for each credit and debit, respectively, shall identify the property to which related, provide a complete description of the adjustment and the reasons for the adjustment.

(k) Dividends declared and retained earnings adjustments shall be fully explained in the bottom section of this schedule. If a dividend is not payable in cash, the values of amounts declared shall be completely described.

Schedules P–5.1 and P–5.2—Aircraft Operating Expenses

(a) Schedule P–5.1 shall be filed by each Group I route air carrier and P–5.2 by each Group II and Group III air carrier.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed each quarter for each operating entity. One set shall reflect the indicated data applicable to the current quarter. The second set shall reflect the indicated data applicable to the 12-month period ended with the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of the set covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of the set covering 12 months to date data.

(d) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type". However, each air carrier may group on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed wing and rotary wing aircraft types, and between reciprocal engine, turbojet and turboprop aircraft types are established as follows: (1) Single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine types, are to be separately reported. Expenses applicable to the operation on the accounting carrier's routes of aircraft provided by others under aircraft interchange agreements shall be separately reported, in aggregate for all such aircraft, as if for a distinct aircraft type. Those expenses applicable to aircraft of the same type as those owned or operated by the accounting air carrier shall be distributed in summary memo form as item 98.1 and 98.2 to each aircraft type owned or operated by the accounting air carrier. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved a separation of data relating to each type of aircraft shall not be required.

(e) "Aircraft type" refers to models, such as B–707–100, B–707–300, CV–240, DC–6, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(f) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting but shall be used for reporting purposes only.

(g) Item 79.6 Applied Maintenance Burden shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between maintenance of flight equipment, by aircraft types, and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings) in accordance with item (f) of the instructions for schedule P–6. The amount reported for this item, in aggregate for all aircraft types, shall agree with the amount reported for the same item reflected on schedule P–6.

(h) Item 73.1 Current Provisions (for obsolescence and deterioration of flight equipment expendable parts) shall reflect the gross provisions for losses in value of expendable parts during the current accounting period.

(i) Item 73.2 Inventory Decline Credits shall reflect credits applicable to the current period for any adjustments for excess inventory levels determined pursuant to section 6–1311.

(j) The total of function 5100 Flying Operations reported on this schedule shall agree with corresponding amounts reported on schedule P–1; the total of item 5278 Total Direct Maintenance—Flight Equipment shall agree with the corresponding amount reported in schedule P–6; and the total of item 75.6 Total Depreciation—Flight Equipment shall agree with the corresponding amount in schedule P–3.

Schedule P–5(a) Components of Flight Equipment Depreciation

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed each quarter for each operating entity. One set shall reflect the indicated data applicable to the current quarter. The second set shall reflect the indicated data applicable to the 12-month period ended with the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each schedule of set the covering quarterly data and and "x" shall be inserted in the box designated "Yr" at the head of each schedule of the set covering 12 months to date data.

(d) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type." However, each air carrier may group on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed-wing and rotary-wing aircraft types, and between reciprocal-engine, turbojet and turboprop aircraft types are established as follows: (1) Single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine types, are to be separately reported. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(e) "Aircraft type" refers to models, such as B–707–100, B–707–300, CV–240, DC–6, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(f) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier account-

ing but shall be used for reporting purposes only.

(g) All items shall be completed by each Group II and Group III air carrier, and all items except items 76.3, 76.4, 70.3, and 70.4 shall be completed by each Group I air carrier. Items 76.1 through 76.6 shall reflect flight equipment depreciation expense provisions computed in accordance with such standards as may be or are prescribed for regulatory purposes. Items 70.1 through 70.6 shall reflect the difference between the amounts reported in items 76.1 through 76.6 on this schedule and the flight equipment depreciation amounts reported in items 75.1 through 75.6 on Schedule P–5.1 or P–5.2, as applicable. Item 75.6 shall reflect the flight equipment depreciation amounts reported in this item on Schedule P–5.1 or P–5.2, as applicable.

(h) Amounts included in line items 70.1 through 70.5 shall be explained in the bottom section of this schedule. The explanation shall set forth the factors giving rise to the differences between regulatory components and carrier components of flight equipment depreciation expense.

Schedule P–6—Maintenance, Passenger Service, and General Services and Administration Expense Functions

(a) This schedule shall be filed by all route air carriers.

(b) A separate set of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed for each operating entity with the Form 41 report filed for the fourth calendar quarter of each calendar year. One set shall be filed for each operating entity for the first three quarters of each calendar year. One of the two sets filed for the fourth quarter of each year shall reflect the indicated data applicable to the 12 months ended December 31. All other sets shall reflect the indicated data applicable to the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of each report covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of each report covering 12-month data.

(d) Group I route air carriers shall report the indicated data for all except function 5500 Passenger Service.

(e) Group II and Group III air carriers shall report the indicated data for all except function 6900 General Services and Administration.

(f) Items 79.6 Applied Maintenance Burden—Flight Equipment and 79.8 Applied Maintenance Burden—General Ground Property, respectively, shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between Maintenance of flight equipment (by aircraft types) and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings for which costs are included in subfunction 5300). Where airframe and aircraft engine overhauls are accounted for on the accrual basis to produce a matching of costs with the operation of aircraft, the allocation of maintenance burden shall give effect to charges and credits to profit and loss account 5272 Flight Equipment Airworthiness Provisions in order to effect an equitable allocation of such maintenance burden costs. In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement in which the procedures to be followed in allocating maintenance burden are fully explained. At the option of the air carrier standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at least once each accounting year and the amounts allocated are adjusted to reflect the actual costs incurred for the full accounting year. Any differences between actual burden costs incurred during each quarter and amounts applied at standard rates shall be entered as item 79.9 Over or Under Applied Burden.

(g) The sum of the totals of subfunctions 5200 Direct Maintenance and 5300 Maintenance Burden shall agree with the corresponding amount reported in function 5400 on Schedule P–1. The total of function 6900 General Services and Administration reported in this schedule by Group I route air carriers shall agree with the corresponding amount reported on schedule P–1.

Schedule P–7—Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions

(a) This schedule shall be filed by each Group II air carrier and each Group III air carrier.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed for each operating entity with the Form 41 report filed for the fourth calendar quarter of each calendar year. One set shall be filed for each operating entity for the first three quarters of each calendar year. One of the two sets filed for the fourth quarter of each year shall reflect the indicated data applicable to the 12 months ended December 31, All other sets shall reflect the indicated data applicable to the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of each report covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of each report covering 12-month data.

(d) Group II air carriers shall report the indicated data for all except subfunction 6100 Aircraft Servicing.

(e) Group III air carriers shall report the indicated data for subfunction 6100 Aircraft Servicing and function 6800 General and Administrative and shall disregard the data indicated for functions 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales.

(f) The item "12-months to date" shall reflect the total expenses of each functional expense classification reported on this schedule for the cumulative 12-month period ended with each current quarter for which report is made.

(g) The total of each functional expense classification reported in this schedule shall agree with the corresponding amount reported in schedule P–1.

Schedule P–8—Aircraft and Traffic Servicing, and Promotion and Sales Expense Subfunctions

(a) This schedule shall be filed by each Group III air carrier only.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed for each operating entity with the Form 41 report filed for the fourth calendar quarter of each calendar year. One set shall be filed for each operating entity for the first three quarters of each calendar year. One of the two sets filed for the fourth quarter of each year shall reflect the indicated data applicable to the 12 months ended December 31. All other sets shall reflect the indicated data applicable to the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of each report covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of each report covering 12-month data.

(d) The item "12-months to date" shall reflect the total expenses of each functional expense classification reported on this schedule for the cumulative 12-month period ended with each current quarter for which report is made.

(e) The sum of the totals reported in this schedule for subfunctions 6200 Traffic Servicing and 6300 Servicing Administration, together with 6100 Aircraft Servicing in schedule P–7 shall agree with the corresponding amount reported for function 6400 Aircraft and Traffic Servicing in schedule P–1. The sum of the totals reported in subfunctions 6500 Reservations and Sales and 6600 Advertising and Publicity shall agree with the corresponding amount reported for function 6700 Promotion and Sales in schedule P–1.

Schedule P–9.1—Distribution of Ground Servicing Expenses by Geographic Location—Group I Air Carriers

Schedule P–9.2—Distribution of Ground Servicing Expenses by Geographic Location—Group II and Group III Air Carriers

(a) Schedule P–9.1 shall be filed by each Group I route air carrier and schedule P–9.2 by each Group II and each Group III air carrier.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) This schedule shall reflect a distribution of expenses by the geographic locations at which the goods or services to which related are applied. This schedule shall embrace for all air carrier groups direct maintenance, and depre-

ciation expenses applicable to general ground properties recorded in subfunction 5200 Direct Maintenance, exclusive of account 78 Direct Maintenance—Flight Equipment, plus subaccount 75.9 Depreciation—General Ground Property and, in the case of Group I route air carriers, expenses recorded in function 6900 General Services and Administration and, in the cases of Group II and Group III air carriers expenses recorded in functions or subfunctions of 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales.

(d) Line 1 shall reflect the aggregate expenses incurred at all airports, or other geographic locations, served in nonscheduled services only and related traffic offices. Downtown traffic offices maintained at off-line points for the purpose of selling or soliciting traffic for scheduled services shall be considered as on-line installations. Line 2 shall reflect "Regional and System" expenses, which are those directly chargeable to administering activities performd at a number of different localities. For this purpose expenses attaching to such as central space control installations and centralized inter-airport flight control installations shall be considered "Regional and System" expenses.

(e) Column 1, "Location" shall reflect in alphabetic sequence the name of each certificated point served by the air carrier under certificates of public convenience and necessity, subdivided to reflect in alphabetic order the name of each airport through which each certificated point is served and, in a separate group, the name of each city at which off-line traffic offices, maintained for the purpose of selling or soliciting traffic for scheduled services, are located.

(f) Column 2, "Number of Employees" shall reflect the number of persons employed at each on-line airport and all city traffic offices maintained at each point during the payroll period nearest the 15th of the last month of the quarter.

(g) Expenses which are directly chargeable to activities performed at each specific locality shall be entered in the indicated classification directly opposite its name; other expenses applicable to each certificated point shall be entered in the indicated classifications opposite the name of each certificated point; and expenses applicable to each noncertificated point where installations are maintained or used for certificated services shall be entered in the indicated classifications opposite its name.

Schedule P–10—Payroll

(a) This schedule shall be filed by all route air carriers.

(b) A single set of this schedule shall be filed for personnel employed within the 48 contiguous States and the District of Columbia and separate sets shall be filed for each operating entity for personnel employed outside these locations. Flight and other personnel subject to travel shall be reported in accordance with the location at which normally based.

(c) Column 3, "Number of Employees" shall reflect, for each classification in column 1 the number of full- and part-time employees, both permanent and temporary, who worked or received pay for any part of the pay period(s) ending nearest the 15th day of the last month of the quarter whether paid weekly, monthly, or otherwise. Immediately below the total reported in column 3 shall be reported the comparable total number of employees for each of the first 2 months in the quarter being reported upon.

(d) Column 4, "Total All Employees" shall reflect expansions to annual rates of the amounts of compensation paid each person included in column 3 for the payroll period ended nearest the 15th day of the last month of the quarter. Compensation shall include total pay, including overtime, paid sick leave, holidays and vacations but shall exclude bonuses (unless earned and paid regularly each pay period) and cash payments for vacations not taken.

(e) Column 5, "Average per Employee" shall reflect the averages obtained by dividing the amount of compensation shown in column 4 by the number of employees reported in column 3.

(f) Data with respect to each employee shall be included in the classification to which most of his salary is charged, even though the compensation of such employee is normally prorated to two or more classifications.

(g) The term "payroll period" denotes the collective payroll periods of various groups of employees, irrespective of the difference in the length of the pay periods. The amounts reported in this schedule may, therefore, represent a composite of data relating to two or more separate payrolls covering different periods of time, although the data with respect to any one group of employees shall not reflect more than one payroll period.

Schedule P–41—Taxes

(a) This schedule shall be filed by all route air carrier groups.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) This schedule shall reflect in the detail indicated the taxes levied against the air carrier paid or accrued during the accounting year.

(d) The "Grand Total" of taxes reported on this schedule shall agree with the sum of the amounts reported in accounts 68, 69, and 93.9 for the 12 months ended December 31.

Memorandum Subclassification of Selected Reported Expenses

(a) This schedule shall be filed in duplicate by each Group III air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) This schedule includes only selected objective expense accounts within those functions relating to aircraft and traffic servicing, reservations, sales and advertising.

(d) Columns 2 through 6 shall reflect assignment to the indicated functions of the amounts in each of the listed objective expense accounts. Column 4 shall reflect expenses at reservations control centers and related facilities used in the reservations activity. To facilitate reporting, guidelines are drawn opposite each expense item in the applicable columns.

TRAFFIC AND CAPACITY—ROUTE CARRIERS

Section 25—Traffic and Capacity Elements

General instructions. (a) All prescribed reporting for traffic and capacity elements shall conform with the data compilation practices and standards set forth in Section 19—Uniform Classification of Operating Statistics. Additional codes are provided herein for elements to be reported on the T schedules which are derived from data prescribed in section 19.

(b) Schedules T–1, T–2, and T–3 shall be in a form prescribed by the Board or in the form of approved machine listings. The same information reported in these schedules shall be submitted on magnetic tape or punched cards at the time the schedules are submitted.

SCHEDULE T–1—TRAFFIC AND CAPACITY STATISTICS BY CLASS OF SERVICE

(a) This schedule shall be filed monthly by each route air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) The data shall be compiled as aggregates of the basic data prescribed in Section 19, Uniform Classification of Operating Statistics.

(d) A description of each item shall be given in the left margin, and separate columns shall be used to present the codes and data as applicable for each classification of service prescribed in section 19–4, namely, Scheduled First Class Passenger-Cargo Service, Scheduled Coach Passenger-Cargo Service, Scheduled Mixed Passenger-Cargo Service, Scheduled Cargo Service, Nonscheduled Civilian Passenger-Cargo Service, Nonscheduled Military Passenger-Cargo Service, Nonscheduled Civilian Cargo Service, Nonscheduled Military Cargo Service and All Services. In addition, columns are provided for total scheduled and total nonscheduled services. The schedule shall include the following items:

Code	*Elements*
X110	Revenue passengers enplaned.
X140	Revenue passenger-miles.
X141	First class.
X142	Coach.
X160	Nonrevenue passenger-miles.
X240	Revenue ton-miles.
X241	Passenger.
X243	U.S. mail—priority.
X244	U.S. mail—nonpriority.
X245	Foreign mail.
X246	Express.
X247	Freight.
X260	Nonrevenue ton-miles.
X280	Available ton-miles.
X320	Available seat miles.
X321	First class.
X322	Coach.

X410 ..... Revenue aircraft miles flown.
X430 ..... Revenue aircraft miles scheduled.
X431 ..... Scheduled aircraft miles completed.
X510 ..... Revenue aircraft departures performed.
X610 ..... Revenue aircraft hours.
X620 ..... Nonrevenue aircraft hours.

SCHEDULE T-2—TRAFFIC, CAPACITY, AIRCRAFT OPERATIONS AND MISCELLANEOUS STATISTICS BY TYPE OF AIRCRAFT

(a) This schedule shall be filed quarterly by each route air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) The data shall be compiled as aggregates of the basic data prescribed in Section 19, Uniform Classification of Operating Statistics.

(d) A description of each item and the identifying code shall be given in the left margin, and separate columns shall be used for the data applicable to each type of aircraft as identified for reporting purposes by the Civil Aeronautics Board. Small aircraft of similar size may be grouped in a single classification in accordance with section 24, schedules P-5.1 and P-5.2, paragraph (d). Similarly, aircraft not generally used in revenue service also may be grouped in a single classification. Aircraft of the same basic structure, but different cabin design shall be classified accordingly as passenger or cargo aircraft types. The schedule shall include the following items:

SCHEDULED SERVICES

Code	*Elements*
	Revenue Passenger - Miles (000).
A140	First Class Passenger-Cargo.
C140	Coach Passenger-Cargo.
E141	Mixed Passenger-Cargo, First Class.
E142	Mixed Passenger - Cargo, Coach.
G140	Cargo.
K140	Total.
	Available Seat Miles (000).
A320	First Class Passenger-Cargo.
C320	Coach Passenger-Cargo.
E321	Mixed Passenger-Cargo, First Class.
E322	Mixed Passenger - Cargo, Coach.
G320	Cargo.
K320	Total.
K240	Revenue Ton-Miles.
K280	Available Ton-Miles.
	Revenue Aircraft Miles Flown.
A410	First Class Passenger-Cargo.
C410	Coach Passenger-Cargo.
E410	Mixed Passenger-Cargo.
G410	Cargo.
K410	Total.

NONSCHEDULED SERVICES

V140	Revenue Passenger - Miles (000).
V320	Available Seat-Miles (000).
V240	Revenue Ton-Miles.
V280	Available Ton-Miles.
V410	Revenue Aircraft Miles Flown.

ALL SERVICES

Z140	Revenue Passenger - Miles (000).
Z320	Available Seat-Miles (000).
Z240	Revenue Ton-Miles.
Z280	Available Ton-Miles.
Z410	Revenue Aircraft Miles Flown.

AIRCRAFT HOURS FLOWN

Code	*Elements*
Z610	Revenue Aircraft Hours (airborne).
Z620	Nonrevenue Aircraft Hours (airborne).
Z621	Ferry.
Z622	Personnel Training.
Z623	Developmental Projects (Costs not deferred).
Z624	Publicity (inaugural flights, etc.).
Z625	Miscellaneous.
Z650	Total Aircraft Hours (airborne).

MISCELLANEOUS OPERATING FACTORS

Z810	Aircraft Days Assigned to Service—Carrier's Equipment.
Z820	Aircraft Days Assigned to Service—Carrier's Routes.
Z420	Nonrevenue Aircraft Miles Flown.
Z411	Revenue Aircraft Miles in Scheduled Services excluding extra section.
	Carrier's Interchange Equipment:
Z830	Hours on Others (airborne).
Z840	Revenue Hours on Others (airborne).
Z850	Hours by Others (airborne).
Z640	Aircraft Hours in Capitalized Projects.
Z630	Aircraft Hours (ramp-to-ramp).
Z921	Aircraft Fuels Issued (gallons).
Z922	Aircraft Oils Issued (gallons).

Schedule T-3—Airport Activity Statistics

(a) This schedule shall be filed quarterly by each route air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) The data shall be compiled as aggregates of the basic data prescribed in Section 19, Uniform Classification of Operating Statistics.

(d) Separate data shall be given for each on-line airport at points certificated by the Civil Aeronautics Board for Scheduled services. Where a certificated point is served by more than one airport, the data pertaining to each airport shall be separately identified. The airports shall be listed in the left margin and separate columns, appropriately headed, shall be used to present the pertinent statistics. The schedule shall include the following items:

Item	Scheduled service	Nonscheduled service
On-line airport code		
Revenue aircraft departures scheduled	K-520	
Scheduled aircraft departures completed	K-521	
Revenue aircraft departures performed in nonscheduled services		V-510
Revenue aircraft departures performed in scheduled services		
Total and by aircraft type	K510	V110
Revenue passengers enplaned	K110	V110
Revenue cargo tons enplaned:		
U.S. mail-priority	K213	V213
U.S. mail-nonpriority	K214	V214
Foreign mail	K215	V215
Express	K216	V216
Freight	K217	V217

Schedule T-6—Summary of Civil Aircraft Charters

(a) This schedule shall be filed by each route air carrier, except that intra-Alaskan charters performed by Alaskan air carriers shall not be reported.

(b) A complete report shall be made on this schedule for the overall or system operations conducted by the air carrier.

(c) Separate reports shall be filed for each of the below-named types of charters and the type shall be inserted opposite the caption "Type of Charter."

(1) Single entity charter, as defined in Part 208 of the Board's Economic Regulations. Charters in which passengers and cargo are carried on the same aircraft are to be reported as single entity charters.

(2) Pro rata charter, as defined in Part 208 of the Board's Economic Regulations. Mixed charters, as defined in Part 208, are to be reported as pro rata charters.

(3) All-cargo charter.

(4) Split charter, as provided for in § 207.11 of the Board's Economic Regulations.

(5) Study group charter, as defined in Part 373 of the Board's Special Regulations.

(6) Overseas military personnel charter, as defined in Part 372 of the Board's Special Regulations.

(d) The data for each flight shall be reported in the quarter in which its performance actually begins. If a charter contract calls for more than one flight, each of the flights shall be reported in the quarter in which it actually begins. Round trips shall be reported as a single service without breakdown by directional components.

(e) All points included in the report shall be identified by the three-letter airport code used in the Official Airline Guide.

(f) All civilian charter flights shall be reported, including those which do not have a United States point in the itinerary; military charters shall not be reported.

(g) Columns 1 and 2 shall reflect the origin and destination, respectively, of the charter flight. For round-trip charters, the origin point shall be shown also as the destination point.

(h) Column 3 shall reflect the number of flights which begin in the current quarter.

(i) Columns 4 and 5 shall reflect, respectively, the aggregate number of seats and the aggregate cargo capacity in tons contracted for on flights reported in column 3. Column 4 on the split charter report shall reflect a breakdown of the aggregate number of seats contracted for (on flights reported in column 3) by type of charter group. The following symbols shall be used: A—single entity; B—pro rata; C—study group; and D—overseas military personnel.

(j) Columns 6 through 12 shall reflect the intermediate points (where a portion of the charter traffic is either enplaned or deplaned) in operating sequence between origin and destination. On round-trip flights, all stopover points other than

the common origin and destination shall be shown as intermediate points. Indicate instances where there is a break in air transportation, such as surface travel, by placing an asterisk between the pairs of points where such a break occurs.

Schedule T–7—Statistical Market Report

(a) This schedule shall be filed by all route air carriers conducting operations set forth in paragraph (c) below.

(b) Data reflected on this schedule shall be supplements to the related entity report in which the data are included.

(c) Markets to be reported are:

Mainland-Hawaii.
Mainland-Alaska.
Mainland-Puerto Rico.
Mainland-Bermuda.
Mainland-Bahamas.
Mainland-Mexico.
Hawaii-Alaska.

and such other markets as may be designated by the Board.

Schedule T–41 Charter and Special Services Revenue Aircraft Miles Flown; Calculation of Limitation of Charter Trips

(a) This schedule shall be filed by each route air carrier.

(b) Separate schedules shall be filed on an overall or system basis covering the 9 months ending September 30 and the 12 months ending December 31 of each year. Check the appropriate box provided on the form.

(c) The following instructions relate to the reporting of "charter and special services revenue aircraft miles flown."

(1) Total charter and special services revenue aircraft miles flown during the 9 months or the 12 months of the calendar year shall be reflected in this schedule by combination carriers and all-cargo carriers in the respective sections provided therefor. Such data shall be broken down to reflect revenue aircraft miles flown for (1) the Department of Defense; and (2) all other customers subdivided into (a) operations performed under special exemption authority, (b) operations performed without such special exemptions, and (c) operations performed in overseas or foreign air transportation on the reverse legs of one-way military charters.

(c)(2) Charter and special service revenue aircraft miles flown shall be separately reported as operations between the carrier's certificated points and operations not between its certificated points. Any point to which the reporting carrier may perform scheduled route service by exemption shall be considered a "certificated point" for purposes of reporting on this schedule. Differentiation for classifying mileage "between certificated points" and "not between certificated points" shall be on the basis of each flight stage operated with technical stops being disregarded. Under the heading of operations between certificated points the reported data shall reflect revenue aircraft miles involving (1) passengers exclusively, (2) cargo exclusively, (3) passengers and cargo jointly, and (4) paid positioning mileage. Under the heading of operations not between certificated points the revenue aircraft miles flown between foreign points shall first be segregated and reported on lines 10 and 25 for combination and all-cargo carriers, respectively. (Flights between foreign points are those which operate between and which serve traffic originating and terminating at points outside the United States, its territories or possessions.) The remaining reported data shall reflect revenue aircraft miles involving (1) passengers exclusively, (2) cargo exclusively, (3) passengers and cargo jointly, and (4) paid positioning mileage. In the case of charters performed for the Department of Defense by an all-cargo carrier between its certificated points, the passenger legs of trips on which the legs in the other direction involved transportation of cargo shall be shown separately as a subtotal. Also, in the case of an all-cargo carrier, cargo charter revenue aircraft miles flown which are not between points certificated to such carrier shall be broken down to reflect those within and those outside the carrier's "area of operations" as defined in § 207.6 of the Board's economic regulations. In the event special services are performed by any reporting carrier, the revenue aircraft miles in such services shall be separately identified.

(d) The following instructions relate to the reporting of "Calculation of Limitation of Charter Trips," pursuant to §§ 207.5 and 207.6 of Part 207 of the Board's Economic Regulations.

(1) Combination carriers, for both the September and December reports, shall reflect in item 1, "Base revenue plane-miles" the sum of amounts reported in items 1, 2, and 3 under the "Total" column on the December Schedule T–41 for the previous year plus the figure called for in item K–410 of Form 41 Schedule T–1(a) covering the 12 months of the preceding calendar year.

(2) All-cargo carriers, for both the September and December reports, shall reflect in item 1, "Base revenue plane-miles" the sum of amounts reported in items 14 and 16 under the "Department of Defense" column and item 15 under the "Total" column on the December Schedule T–41 for the previous year plus the figure called for in item K–410 of Form 41 Schedule T–1(a) covering the 12 months of the preceding calendar year.

(3) Combination carriers, for the September report, shall reflect in item 2, "Off-route charter mileage" the sum of amounts reported in items 6, 7 and 8 under the "Not under Exemption Authority" column on the current September Schedule T–41. For the December report, item 2 shall reflect the sum of amounts reported in items 6, 7 and 8 under the "Not under Exemption Authority" column on the current December Schedule T–41.

(4) All-cargo carriers, for the September report, shall reflect in item 2, "Off-route charter mileage" the sum of amounts reported in items 13, 19, 21 and 23 under the "Not under Exemption Authority" column on the current September Schedule T–41. For the December report, item 2 shall reflect the sum of amounts reported in items 13, 19, 21 and 23 under the "Not under Exemption Authority" column on the current December Schedule T–41.

Section 26—General Corporate Elements

Schedule G–41—Persons Holding More Than 5 per centum of Respondent's Capital Stock or Capital

(a) This schedule shall be filed by all route air carriers.

(b) Columns 1 and 2 shall reflect the names and addresses of all persons who hold, as of the end of any month of the year, more than five (5) per centum of the issued and outstanding capital stock or, in the case of an unincorporated business enterprise, more than five (5) per centum of the total invested capital of the reporting carriers.

(c) Column 3, "Held for Own Account" shall reflect by either of the words "yes" or "no", whether or not the interest is held for the account of the person named in column 1. In cases where the answer is "no" the name and address of the persons for whose account the interest is held shall be indicated by footnotes.

(d) Columns 4 through 7 shall pertain to the capital stock or the invested capital (exceeding 5 percent) held by the persons named in column 1. Column 4 shall reflect the class(es) of those shares held; column 5 shall reflect the maximum number of shares of each class of stock or the maximum amount of invested capital held as of the end of any month of the year; column 6 shall reflect the percent of total outstanding capital which such maximum shares or maximum invested capital represent; and column 7 shall reflect the number of such shares or amount of invested capital held at year end.

Schedule G–42—Compensation and Expenses of all General Officers and Directors and of Management Personnel Receiving $20,000 or More per Annum for Personal Services

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported individually for each elective corporate officer, executive and director. The dates to be reported in column 3 shall be the dates each such elective officer, executive and director was first elected to the office held at the date of the report. Reports shall be made in aggregate for all management personnel receiving compensation for personal services of $20,000 or more per annum. The name of each elective officer, executive and director and the number of management personnel receiving $20,000 or more per annum shall be entered in column 1; the annual compensation and reimbursed expenses paid during the calendar year to each officer, executive and director, and the aggregate thereof for all such management personnel, shall

be entered in columns 5, 6, and 7 respectively; and the upper and lower limits in the range of compensation and expenses paid to management personnel shall be separately stated in such columns 5, 6, and 7.

(c) Management personnel shall include all general supervisory and administrative personnel not directly responsible for the in-flight operation of aircraft or engaged directly in the performance of maintenance activities. Management personnel, as distinguished from elective officers and directors, for whom report is to be made shall include those who received $20,000 or more compensation for personal services during the previous calendar year and those initially employed during the current calendar year at an annual compensation rate of $20,000 or more.

(d) Indirect compensation in column 6 shall include payments made by persons holding management contracts providing for management of, or services to, the air carrier or its associated companies.

(e) Expenses borne by the air carrier to be reported in column 7, shall include all reimbursements to the persons listed in column 1, regardless of whether for goods or services used by the persons listed or by others; whether in the form of per diem or other allowances, or reimbursement for specific expenditures; and whether for amounts reimbursed directly to the persons listed or, except for standby hotel or other facilities maintained for the air carrier's personnel generally, indirectly through vendors who bill the air carrier directly.

(f) Columns 8 through 11 shall reflect securities of the air carrier owned by officers, directors, or management personnel as at December 31. Column 8 shall reflect the class of capital stock, bonds or other securities of the air carrier owned; columns 9 and 10, respectively, shall reflect the number of shares of stock held in the name of, or for the account of, each general officer, and director, and all management personnel receiving $20,000 or more per annum; and column 11 shall reflect the principal amount of bonds or other securities held in the name of, or for the account of, each general officer and director and all management personnel receiving $20,000 or more per annum for personal services.

Schedule G–43—Compensation and Expenses of Persons and Firms (Other than Directors, Officers and Employees) Receiving $5,000 or More During the Calendar Year

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported for each person or firm, other than directors, officers and employees of the air carrier, receiving compensation or expense reimbursements of $5,000 or more during the calendar year.

(c) Compensation and expenses to be reported in this schedule shall include fees, retainers, gifts, commissions, contributions, allowance for expenses or any form of payments amounting in the aggregate to $5,000 or more during the year. In addition to expense reimbursements paid directly to the recipients reflected in column 1, this schedule shall include expenses incurred by the persons or firms named in column 1 which have been paid directly to vendors by the air carrier. Expenses to be reported in this schedule shall encompass payments such as for legal, medical, engineering, advertising, accounting, statistical, educational, or charitable purposes but shall exclude payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine physical operation or maintenance of an air carrier such as payments for rent of buildings or property, for heat, light, power, telegraph, and telephone or payments to other carriers for interchange of equipment or settlement of interline traffic balances.

(d) "Persons or firms" shall be construed to mean individuals, partnerships, corporations or other legal entities.

Schedule G–44—Corporate and Securities Data

(a) This schedule shall be filed by all route air carriers.

(b) The information to be reported shall be prepared in accordance with the detailed instructions set forth on the schedule. The corporate information shall include the air carrier's exact name at the close of the year; the date of incorporation or other organization; the State or other sovereign power under which incorporated or otherwise organized; the date of termination of charter; the date and place of annual meetings; and a complete statement setting forth dates of all consolidations, mergers, reorganizations, changes in corporate name, etc., occurring during the year. If during the year an original charter of incorporation or a modification of an existing charter was granted, furnish the name of each Government, State or Territory, and reference to each statute under which such grant was made;

(c) With respect to any options outstanding at the close of the fiscal year to purchase securities of the air carrier from the air carrier, give the amount, with the title of the issue, called for by such options; a brief outline of the prices, expiration dates, and other material conditions on which such options may be exercised; the name and address of each person holding such options calling for more than 5 percent of the total amount subject to option, and the amount called for by the options of each person; and for each class of such options not previously reported, state the consideration for the granting thereof.

Section 27—National Defense Elements

Schedule D–1—Services Performed for the Defense Establishment

(Memorandum of Services Included in Other Schedules)

(a) This schedule shall be filed by all route air carriers whether or not services performed for the defense establishment are separately reported in accordance with section 21.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Item 1 or item 2 shall be checked, as appropriate, to indicate the status of the operating entity with respect to services performed for the defense establishment.

(d) The volume of services performed for the defense establishment shall be indicated, where item 2 has been checked, by inserting the required information. These data shall not include transportation performed in the air carrier's regularly scheduled transport services. Item 2A, "Gross revenues, fees, and reimbursements," shall include, for services performed for the defense establishment, all gross revenues and fees, together with reimbursements of expenses which are properly chargeable against income under the principles reflected in this system of accounts. Hours and miles flown in transport services shall be reported by aircraft type in columns 1 and 2 of item 2C.

(e) Where defense services are separately reported in accordance with section 21 Introduction to Systems of Reports, the reporting of data for items 2C, 2D, 2E, and 2F will not be required.

GENERAL REPORTING PROVISIONS—SUPPLEMENTAL AIR CARRIERS

Section 31—Introduction to System of Reports

(a) Each supplemental air carrier shall file with the Civil Aeronautics Board, monthly, quarterly and annually CAB Form 41[1] reports of financial and operating statistics as prescribed herein unless waiver is made by the Civil Aeronautics Board.

(b) The system prescribed provides for the submission by each supplemental air carrier of a certification and four categories of financial and operating statistics, on individual schedules of the CAB Form 41 report, grouped as follows:

A. Certification.
B. Balance Sheet Elements.
P. Profit and Loss Elements.
T. Traffic and Capacity Elements.
G. General Corporate Elements.

(c) The prescribed system of reports provides that the frequency of reporting shall be monthly for some schedules, quarterly for some, and annually for others.

(d) Each schedule of the prescribed CAB Form 41 report has been assigned a specific code. The prefix alphabetical codes A, B, P, T, and G, respectively, have been employed to denote certification, balance sheet, profit and loss, traffic and capacity, and general corporate elements. The digits immediately following the alphabetical prefix designate the particular schedule.

[1] Specimen copies of CAB Form 41 were filed with the Office of the Federal Register as part of the original document.

(e) Each supplemental air carrier shall submit to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, four (4) copies of each schedule, except as hereinafter indicated in section 32, "General Reporting Instructions." All schedules are set up in units of eight sheets each with snapout interleaf carbons between sheets. The first sheet of each set is of white opaque paper and the second of white translucent paper. The third, fourth, and fifth sheets are of green opaque paper and the sixth, seventh, and eighth are of buff opaque paper. The data columns of the first sheet of certain schedules are separated by perforations to permit disassembly for clipboard statistical processing. The remaining sheets are unperforated and are of a format which permits filing within binders designed for standard 8½" by 14" sheets. The four copies of each schedule filed with the Civil Aeronautics Board shall consist of the original white sheet and the three green sheets.

(f) Wherever practicable the sheets have been designed to permit machine tabulation. Upon approval by the Civil Aeronautics Board, the carrier may supply its own continuous-feed forms, provided each schedule conforms with the specifications of the forms prescribed herein.

(g) A good quality black typewriter ribbon shall be used in preparing the original copy of each schedule submitted to the Civil Aeronautics Board. In no event shall ditto or similar processes be used nor shall any information be typed on the reverse side of copies submitted to the Civil Aeronautics Board.

(h) Each supplemental air carrier shall generally comprise a single reporting entity; however, separate data shall be reported on Schedule P–3.1 and Schedule T–3.1 for each of the following classifications: (1) Domestic within the 48 contiguous States; (2) domestic between the 48 contiguous States, Alaska and/or Hawaii; (3) territorial; and (4) international including Canadian transborder. The application to be made of the above rule with regard to the entities for which separate reports shall be made is set forth below in the list entitled "Supplemental Air Carrier Reporting Entities."

SUPPLEMENTAL AIR CARRIER REPORTING ENTITIES

American Flyers Airline Corp.
Capitol International Airways, Inc.
Charter International Airlines, Inc.
Interstate Airmotive, Inc.
Johnson Flying Service, Inc.
Modern Air Transport, Inc.
Overseas National Airways, Inc.
Purdue Airlines, Inc.
Saturn Airways, Inc.
Southern Air Transport, Inc.
Standard Airways, Inc.
Trans International Airlines, Inc.
Universal Airlines, Inc.
World Airways, Inc.

(i) As a general rule separate reports shall be filed for the supplemental air carrier and for each associated company, as defined in section 03, which is an air carrier. However, transactions of associated companies in which 100 percent equity control resides in the reporting air carrier shall be consolidated with transactions of the reporting air carrier when such associated companies perform services related to the transport operations of the reporting air carrier almost exclusively and are not engaged in air transportation for their own account.

Section 32—General Reporting Instructions

(a) The CAB Form 41 report is comprised of schedules to be filed at the frequency indicated below. Four copies of each schedule shall be filed with the Civil Aeronautics Board and shall be received, or postmarked, on or before expiration of the indicated interval subsequent to the period for which the report is being made.

Schedule No.		Filing	
		Frequency	Postmark interval (days)
A	Certification	Quarterly	40
A–1	Status of Accounting Plans Required To Be Filed	Annually	40
B–1	Balance Sheet	Quarterly	40
B–2.1	Notes to Balance Sheet; Corporate Paid-In Capital; Analysis of Sole Proprietorship Capital or Partnership Capital.	do	40
B–7	Airframes and Aircraft Engines Acquired	do	40
B–8	Property and Equipment Retired	do	40
B–10	Developmental and Preoperating Costs	do	40
B–11	Current and Long-Term Receivables; Current and Long-Term Payables.	Monthly	30
B–12	Statement of Source and Application of Funds	Quarterly	40
B–13	Summary of Projected Financial Commitments and Related Deposits.	do	40
B–14	Summary of Property Obtained under Long-Term Leases	do	40
B–41	Investments Held by, or for the Account of, Respondent	Annually	90
B–43	Inventory of Airframes and Aircraft Engines	do	90
B–44	Summary of Resources Exchanged With Affiliated Group Members and Other Associated Companies.	do	90
B–46	Long-Term and Short-Term Nontrade Debt	do	90
P–1.1	Income Statement—Group I Air Carriers	Quarterly	40
P–1.2	Income Statement—Group II and Group III Air Carriers	do	40
P–2	Notes to Income Statement	do	40
P–3.1	Transport Revenues	do	40
P–4	Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments.	do	40
P–5.1	Aircraft Operating Expenses—Group I Air Carriers	do	40
P–5.2	Aircraft Operating Expenses—Group II and Group III Air Carriers.	do	40
P–5(a)	Components of Flight Equipment Depreciation	do	40
P–6	Maintenance, Passenger Service, and General Services and Administration Expense Functions.	do	40
P–7	Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions—Group II and Group III Air Carriers.	do	40
T–3.1	Statement of Traffic and Capacity Statistics	Monthly	30
T–6	Summary of Civil Aircraft Charters	Quarterly	40
G–41	Persons Holding More Than 5 Per Centum of Respondent's Capital Stock or Capital.	Annually	90
G–42	Compensation and Expenses of All General Officers and Directors and of Management Personnel Receiving $20,000 or More Per Annum for Personal Services.	do	90
G–43	Compensation and Expenses of Persons and Firms (Other Than Directors, Officers, and Employees) Receiving $5,000 or More During the Calendar Year.	do	90
G–44	Corporate and Securities Data	do	90

(b) Each supplemental air carrier shall file the schedules of the CAB Form 41 reports with the Civil Aeronautics Board in accordance with the above instructions, except that the time for filing B and P report schedules for the final quarter of each calendar year may be extended to 90 days following the year's end provided that preliminary schedules B–1, P–1.1, or P–1.2, and P–3.1 are submitted within the standard prescribed 40-day filing period. At the request of a supplemental air carrier, and upon a showing by such air carrier that public disclosure of its preliminary yearend report would adversely affect its interests and would not be in the public interest, the Board will withhold such preliminary yearend report from public disclosure until such time as (1) the final report is filed, (2) the final report is due, or (3) information covered by the preliminary report is publicly released by the carrier concerned, whichever first occurs.

(c) If circumstances prevent the filing of a report within the prescribed time limit, consideration will be given to the granting of an extension upon receipt of a written request therefor. Such a request must set forth good and sufficient reason to justify granting the extension, must set forth the date when the report can be filed, and be submitted sufficiently in advance of the due date to permit proper time for consideration and communication to the supplemental air carrier of the action taken. Except in cases of emergency no such request will be entertained which is not postmarked in sufficient time to normally reach the Civil Aeronautics Board at least 24 hours before the prescribed due date. If a request is denied, the air carrier remains subject to the filing requirements to the same extent as if no request for extension of time had been made.

(d) Statements of accounting or statistical procedures required to be filed under this system of accounts and reports are recapitulated below. These statements or revisions thereof shall be filed prior to the date on which the procedures are to become effective and shall be regarded as accepted unless the carrier is notified of Board objections within 30 days after receipt. The Board may require modification of any previously effective procedure covered by such statements after 60-days' notice to the carrier. These statements shall be filed in triplicate, with each statement submitted on a separate page to facilitate processing and filing.

(1) Procedures for assigning or prorating profit and loss items between operating entities, as prescribed by section 2-1(b).

(2) Procedures for accrual of self-insurance reserves, as prescribed by section 2-13(c)

(3) Procedures for establishment of expense equalization reserves, as prescribed by section 2-13(d).

(4) Procedures for depreciation of property and equipment, as prescribed by section 2-14(b).

(5) Procedures of accounting for airframe and aircraft engine overhauls and airworthiness reserves as prescribed by section 5-4(g)(8).

(6) Procedures for amortization of developmental and preoperating costs and other intangibles, as prescribed by section 5-5(b), section 6-1870(c), and section 6-1880.

(7) Procedures for the accrual of obsolescence and deterioration reserves for flight equipment expendable parts, as required by section 6-1311(d).

(8) Procedures for accrual of unearned transportation revenues, as prescribed by sections 2-17(b) and 6-2160(d).

(9) Procedures for assigning or prorating expenses between incidental services and transport operations, as prescribed by section 9-4600(d).

(10) Procedures for applying maintenance burden, as prescribed by section 10-5300(c), section 11-5300(c) and section 34, Schedule P-6, paragraph (e).

(11) Procedures for computing available seat-miles and available ton-miles for each aircraft type, as required by paragraph (g), in section 35, Schedule T-3.1.

(12) Procedures for the accrual of vacation liability, as required by section 6-2120(c).

(13) Procedures for accounting for investments in subsidiary and other associated companies, including change in status from associated to subsidiary company, or vice versa, and adjustments in investment accounts, as prescribed by section 6-1510(c).

(e) All financial data reported on B, P, and G schedules shall reflect the status of the supplemental air carrier's books of account for the period for which report is being made and shall conform to the instructions of this Uniform System of Accounts and Reports. At the option of the supplemental air carrier, financial data may be reported in whole dollars by either dropping or rounding cents; provided all amounts are balanced within and between schedules and zero digits are inserted for the actual money amounts eliminated.

(f) Traffic and other operational statistics included in schedules of the CAB Form 41 reports shall reflect data pertaining to the month or quarter for which the report is being made.

(g) Adjustments correcting errors in previously reported traffic and other operational statistics shall not be included in data reported in schedules for the current period but shall be effected by submission of corrected schedules for the period to which applicable or, if only a few items are involved, by written notice and authorization to the Civil Aeronautics Board to correct previously filed reports except that any correction which amounts to less than one-half of one percent (0.5%) of the corrected amount for the month to which related may be included in the report for the current month provided the amount of the correction is clearly noted on the Form 41 Report.

(h) All letters and statements of correction or revision of reported data shall be a part of the CAB Form 41 reports.

(i) All changes in accounting methods having a material impact upon the particular financial elements involved and all changes in methods of computing and reporting traffic and capacity statistics having a material impact upon the particular statistics involved shall be adequately explained and identified in the report first reflecting such changes. Such explanations related to financial position or financial results shall be made on schedules B-2.1 and P-2, "Notes to Balance Sheet" and "Notes to Income Statement," respectively. Changes in methods for computing or reporting traffic and capacity statistics shall be identified and explained on a separate sheet attached to the first report affected. (See sec. 2-16.) The reporting requirements shall not be construed, in any sense, as relieving the supplemental air carrier of the responsibility for conforming its procedures to those otherwise prescribed in this system of accounts and reports.

(j) All financial statements released by carriers to the public reflecting a financial position or operating results for dates or reporting periods not covered by reports on file with the Board shall be filed with the Board simultaneously with their public release.

Section 33—Certification and Balance Sheet Elements

Schedule A—Certification

(a) The certification of the CAB Form 41 report shall be signed by an elective corporate officer, executive or director, or such other person as may be authorized by the carrier to sign the certification, provided a written authorization disclosing the individual's name and title is forwarded to the Civil Aeronautics Board. Since corrections or revisions of reported data are a part of the CAB Form 41 report, all correspondence relating to such matters shall be signed only by persons authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in schedule A thereof, shall read as follows:

I, the undersigned

(Title of officer in charge of accounts)

of the ---

(Full name of the reporting company)

do certify that this report and all schedules and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals of the operating revenues and expenses, income items, assets, liabilities, capital, surplus, and operating statistics for the periods reported in the several schedules; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Certificated Air Carriers prescribed by the Civil Aeronautics Board; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in explanations accompanying the financial and statistical statements.

Schedule A-1—Status of Accounting Plans Required To Be Filed

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The indicated data shall be entered on this schedule for each accounting plan listed in section 32(d).

(d) Columns 1 and 2 shall reflect the title of the accounting plan and its applicable section under this Uniform System of Accounts and Reports.

(e) Column 3 shall indicate for each plan, by insertion of either "Yes" or "No", whether the plan was revised during this period.

(f) Columns 4 and 5 shall reflect for each plan the date filed with the Board and its effective date.

Schedule B-1—Balance Sheet

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall reflect the balances as at the close of business on the last day of each calendar quarter, for the overall operations of each air carrier in conformance with the provisions of sections 4, 5, and 6.

(c) Individual proprietors or partners shall report the aggregate capital contributed by the proprietor or partners in account 2890 Other Paid-In Capital.

Schedule B-2.1—Notes to Balance Sheet; Corporate Paid-In Capital; Analysis of Sole Proprietorship Capital or Partnership Capital

(a) This schedule shall be filed by each supplemental air carrier.

(b) All substantive matters which may influence materially interpretations

or conclusions in regard to the financial condition of the supplemental air carrier which are not clearly identified in the body of the balance sheet shall be completely and clearly stated in this schedule and cross-referenced to the affected balance sheet account.

(c) The amounts and estimated delivery dates of any purchase commitments of material size and not of a recurrent routine character shall be explained on this schedule. In the case of commitments involving flight equipment, the amount for each equipment type may be given in total, including any engines, airframes and spares; but the number of airframes and the number of engines by type shall be given, as well as the estimated delivery date for each complete aircraft. Reports on commitments other than for flight equipment are required only in the December 31 report of each calendar year.

(d) The balances in subaccounts of balance sheet account 2390 Other Defererd Credits titled "Investment Tax Credits Available" and "Unrealized Investment Tax Credits" shall be set forth in this schedule as at the end of each calendar quarter. In addition, the balance in account 1619 Reserve for Depreciation—Flight Equipment at the end of each calendar quarter shall be reconciled to show: (1) The accumulated depreciation computed in accordance with such standards as may be or are prescribed for regulatory purposes identified under the caption "Reserve for Depreciation—Regulatory Components"; and (2) the difference between the regulatory components and the balance in account 1619 identified under the caption "Reserve for Depreciation—Other Components." The balance in account 1619 shall be shown under the caption "Reserve for Depreciation—Carrier Total."

(e) Each class and series of the air carrier's capital stock, as at the end of each calendar quarter, shall be listed and the indicated information entered within the "Paid-In Capital" section of this schedule.

(f) All transactions and amounts affecting paid-in capital during the current quarter shall be fully explained for each class and series of capital stock to which related. Total paid-in capital and total treasury stock reported on this schedule as at the end of each calendar quarter shall agree with corresponding amounts reported on schedule B–1 Balance Sheet.

(g) In the "Analysis of Sole Proprietorship Capital or Partnership Capital" section of this schedule, individual proprietors shall report the required data in the column headed "Total Capital." Partnerships shall reflect the names of the partners at the head of the columns provided therefor.

(h) All transactions and amounts affecting the proprietor's or partners' investments during the current quarter shall be reflected. Any items other than profits, losses, additional investments or withdrawals shall be shown under "Other Credits" or "Other Debits" in detail with a full explanation as to their nature. The "Total Capital" balance at the end of the current quarter shall agree with the corresponding amount reported on schedule B–1 Balance Sheet.

(i) The conversion from the cost method to the equity method of carrying investments in subsidiary companies shall be explained on this schedule and cross-referenced to Schedule P–2—Notes to Income Statement. Any change in the basis of accounting for investments in subsidiary and other associated companies (e.g., change from associated to subsidiary company or vice versa) shall be noted here and reported as required by section 32(d).

(j) Amounts of adjustments resulting from the physical verification of passenger revenue accounting practices required by section 2–17 shall be reported herein for the quarter in which the adjustment takes place.

Schedule B–7—Airframes and Aircraft Engines Acquired

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model. Airframe units leased from others for a period of more than 90 days shall be reported in a separate subsection of this schedule. In addition, a notation shall be made by license number of airframe units of the air carrier returned after lease to others for a period of more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(c) All dates shall indicate the day, the month and the year; shall be provided on a unit basis for airframes only; and, shall be reported for each aircraft engine group by date of transaction.

(d) Report shall be made in the quarter in which each airframe and each group of aircraft engines is actually acquired irrespective of whether the cost thereof is reflected in the property and equipment accounts during the current quarter or a subsequent quarter. If the cost data are not reflected in the current quarter a footnote to that effect shall accompany the report of acquisition. The costs shall be reported during the quarter in which determined and the equipment to which related shall be listed again in this schedule, with complete information, and shall be identified as being the same equipment reported at the earlier date.

(e) Column 2, "Date Placed in Transport Service" shall relate to airframes only and shall be the date on which each airframe was or will be placed in regular service by the reporting entity. If this date is not known at the time of submission of the report an estimated date bearing the notation "estimate" shall be provided with the exact date shown by footnote on a subsequent schedule B–7 in which the airframe is reidentified by license number, type of aircraft and date acquired.

(f) Column 8, "Maximum Continuous Horsepower" shall reflect the maximum continuous horsepower rating of each type of aircraft engine acquired. (See section 03 for definition as applied in this system of accounts and reports).

(g) Column 9, "Aircraft Engines per Airframe" shall reflect the number of aircraft engines for which each acquired airframe is designed.

(h) Column 10, "Maximum Seat Capacity" shall reflect the number of passenger seats installed in each airframe acquired. When the configuration of airframes provides sleeping accommodations the passenger capacity shall be shown in terms of a sleeper version and a nonsleeper version. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(i) Columns 12 and 15, "Reserve for Depreciation" and "Flight Equipment Airworthiness Reserves," respectively, shall include the amount of such reserves applicable to property and equipment transferred from nontransport divisions.

Schedule B–8—Property and Equipment Retired

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for the sale or retirement of each airframe, each type of aircraft engine (stating the number of units retired) and, to the extent retired along with airframes and engines, in aggregates by accounts, for operating property and equipment included in accounts 1603 through 1608 and nonoperating property and equipment included in accounts 1703 through 1708. Disposition of properties in accounts 1603 through 1608 and 1703 through 1708 not related to airframe and aircraft engine retirements shall be reported in a separate group for each account. Ground property and equipment disposed of shall be reported in aggregate for all accounts, with subdivisions between operating and nonoperating property and equipment. Airframe units leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule. In addition, a notation shall be made by license number and name of lessee of airframe units leased to others for a period of more than 90 days. Airframe units leased under interchange arrangements shall not be so reported.

(c) Retirements shall be listed in the numerical sequence of the property and equipment account to which related.

(d) All dates shall include the day, the months and the year of each transaction.

(e) Column 7, "Cost" shall agree in totals for each account with the corresponding cost of property and equipment retired.

(f) Column 10, "Realization" shall reflect the proceeds from disposition, including any insurance proceeds or amounts covered by a self-insurance reserve established in accordance with section 2-13(c).

(g) Column 13, "Disposition" shall reflect the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged if not sold. Items included in accounts 1603 through 1608, and 1703 through 1708, sold as a part of airframe or aircraft engine sales transactions, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected, while all ground property dispositions shall be reported in a single aggregate and need not be identified by names of the buyers.

Schedule B-10—Development and Preoperating Costs

(a) This schedule shall be filed by each Group II supplemental air carrier.

(b) Column 1 shall reflect an identification and complete description of each project for which costs are deferred in balance sheet account 1830. The description shall include the CAB Docket number in cases of projects involving a proceeding before the Civil Aeronautics Board.

(c) Explanation of the amounts included in column 3 shall disclose the general characteristics of the amounts deferred during the current quarter for each project, for example, the cost of regulatory proceedings; the cost of pilot; mechanic, and ground crew training; special engineering; aircraft development flights; publicity flights; and route familiarization flights.

(d) Column 6, "Unamortized Balance—End of Quarter" shall in total agree, when aggregated for the air carrier as a whole, with the corresponding balance of account 1830 shown in schedule B-1—Balance Sheet.

(e) Column 7, "Development Costs Charged to Account 89" shall reflect costs incurred in projects which do not contribute to or protect air transportation services of the air carrier.

Schedule B-11—Current and Long Term Receivables; Current and Long Term Payables

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall reflect the balances of receivables and payables as at the close of each month.

(c) Columns 1 and 2 reflect the account number and description of the type of receivable or payable for which report is to be made.

(d) Column 3, "Total Receivables" and "Total Payables," shall reflect the total amount recorded in each account, and shall agree with the amounts reported on the carrier's balance sheet as at the preparation date of this schedule.

(e) Column 4, "Amounts not Overdue", shall reflect receivables or payables which are not overdue.

(f) Columns 5 through 8, "Amounts Overdue," shall reflect receivables or payables which are overdue for periods of 30 days or less, 31 to 60 days, 61 to 90 days, and over 90 days, respectively.

(g) Account 2210, "Long Term Debt," shall be detailed by class of debt, showing separately amounts held by associated companies and by others, giving the maturity dates, and effective interest rates. Describe any significant covenants relative to the debt in footnote.

(h) Items which include claims in litigation or unpaid court judgments shall be footnoted, and such claims and judgments shall be listed by amount and explained at the bottom of the schedule in the space provided therefor.

Schedule B-12—Statement of Source and Application of Funds

(a) This schedule shall be filed by each supplemental air carrier.

(b) In determining funds from operations, net income as reported in item 9799 on Schedule P-1.1 or P-1.2, as applicable, shall be increased by the indicated nonfund charges and shall be decreased by nonfund credits such as gains on property retirements and undistributed earnings of subsidiaries. The nonfund credits shall be included net on line 6 "Other nonfund items." If the amount reported on line 6, line 12, or line 19 exceeds 5 percent of the total sources or applications, a footnote shall be added to this schedule disclosing the component amounts.

(c) Generally, all items shall be reported in gross amounts. Thus, nonfund exchanges of bonds or capital stock for fixed assets shall be reported as a source of funds from the incurrence of debt or issuance of stock and a concurrent application of funds for the asset acquisition. Likewise, the conversion of debt for capital stock shall be reported as a source of funds for capital stock issued and an application of funds for the debt retired.

Schedule B-13—Summary of Projected Financial Commitments and Related Deposits

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported in columns 2 through 9 for all firm programs for property acquisition and debt retirement. The total estimated cost of each program shall be reported in column 2, and the amounts reflected in columns 3 through 9 shall agree in total with the amount in column 2.

(c) Financing for which firm arrangements have been made to meet the total projected commitments shall be reported in columns 5 through 9 by appropriate caption under scheduled financing. Financing to be scheduled reported on line 21 shall equal line 12 minus line 17. The use of lines 19 and 20 to indicate, generally, whether funds to be scheduled are expected to be obtained through internal or external sources is optional.

Schedule B-14 Summary of Property Obtained Under Long-Term Leases

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall reflect data for all leases in force at the report date which have a term or terms in excess of 3 years including terms of extension or renewal at the option of the lessee. However, leases of property and equipment, other than flight equipment, which are not of material financial impact may be excluded: *Provided*, That a statement is submitted for approval by the Board's Director, Bureau of Accounts and Statistics, which describes the policy applied for exclusion of leases not considered material and the perecntage of the total lease commitment which they represent.

(c) Column 3 "Cost" shall reflect the estimated cost to the lessor if stipulated in the lease agreement. If the lessor's cost is not stipulated, it shall be determined based on the cost of comparable owned property or equipment, the market value of comparable property or equipment or independent appraisals; and such estimates, together with sufficient documentary evidence and factual support, shall be submitted to the Director, Bureau of Accounts and Statistics, for approval.

(d) The indicated lease cost and approximate annual lease-cost components shall be reported in columns 5 through 11. The imputed interest rate shall be reported in column 12 and the remaining months of the lease shall be reported in column 13. Column 14 shall indicate whether the lease contains purchase option provisions by insertion of the word "Yes" or "No."

Schedule B-41—Investments Held by, or for the Account of, Respondent

(a) This schedule shall be filed by each supplemental air carrier.

(b) The data shall be grouped and separately subtotaled according to: (1) investments in subsidiary companies; (2) investments in other associated companies and investments in other than associated companies; and (3) notes and accounts receivable due to the air carrier 1 year beyond the date of the report.

(c) Column 1 shall reflect the name of each associated company, and each other issuer of securities held by the air carrier. This column shall also reflect the name of each company from which noncurrent notes and accounts receivable are due to the air carrier.

(d) Column 2 shall reflect the type of security, such as stocks, bonds, notes, etc., with respect to investments, and the words "a/c rec." or "notes rec.", as appropriate with respect to noncurrent receivables.

(e) Column 3 shall reflect the words "yes" for investments held in the name of the air carrier and "no" for investments held in the name of others for the account of the air carrier.

(f) Column 4 "Cost" shall reflect the cost of the investments to the carrier.

The cost of investments in subsidiary companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity or Book Value", shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.1. Investments in Subsidiary Companies. The cost of investments in other associated companies and investments in other than associated companies shall agree in total with corresponding amounts reflected in balance sheet accounts 1510.2 Investments in Other Associated Companies and 1530 Other Investments and Receivables, respectively.

(g) Column 5 "Equity or Book Value" shall reflect the equity in undistributed earnings or losses of subsidiary companies since acquisition, or the book value of investments in other associated companies and other than associated companies as of the date of this schedule. This column does not apply to investments in industry-owned service organizations which operate on a nonprofit basis.

(h) Column 6 "Number of Shares or Debt Principal Amount" shall reflect the number of shares of stock or the principal amount of bonds or notes held by the air carrier.

Schedule B–43—Inventory of Air-Frames and Aircraft Engines

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported on a group basis by type of engine and by type of aircraft to which related.

(c) Data in this schedule shall be grouped and subtotaled as between data pertaining to airframes and data pertaining to aircraft engines. Data pertaining to nonoperating airframes and aircraft engines shall be reported in a group below the data for operating equipment.

(d) The data to be reported shall include owned and rented airframes and aircraft engines currently in operation or in conversion. Data pertaining to rented airframes and aircraft engines shall be listed in columns 1 through 7 and in column 13; the cost of improvements thereto shall be listed in columns 8 through 12.

(e) Column 9, "Reserve for Depreciation" shall include the accumulations of all provisions for losses due to use and obsolescence as recorded in balance sheet accounts 1611 Reserve for Depreciation—Airframes and 1612 Reserve for Depreciation—Aircraft Engines.

(f) Column 10, "Depreciated Cost" shall reflect Cost (column 8) less Reserve for Depreciation (column 9).

(g) Column 11, "Estimated Residual Value" shall reflect in dollars the residual value assigned to airframes and aircraft engines respectively, including any overhaul value not subject to depreciation.

(h) Column 12, "Estimated Depreciable Life (Months)" shall reflect the estimated depreciable life of each airframe and each group of aircraft engines.

(i) Column 13, "Flight Equipment Airworthiness Reserves or Maintenance Liability" shall include amounts accumulated for owned airframes and aircraft engines in account 1629 Flight Equipment Airworthiness Reserves and amounts accumulated for leased airframes and aircraft engines in accounts 2190 Other Current Liabilites and 2290 Other Noncurrent Liabilities.

(j) Totals for owned operating equipment shall agree with property and equipment accounts 1601 Airframes; 1611 Reserve for Depreciation—Airframes; 1602 Aircraft Engines; 1612 Reserve for Depreciation—Aircraft Engines; and 1629 Flight Equipment Airworthiness Reserves. The airworthiness liabilities for rented equipment included in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities shall be shown in column 13.

Schedule B–44—Summary of Resources Exchanged with Affiliated Group Members and Other Associated Companies

(a) This schedule shall be filed by all supplemental air carriers.

(b) Single but separate sets of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) One set each shall be filed, and checked in the appropriate box, for resources acquired by the air carrier, or its regulated activity, and one set each shall be filed and checked in the appropriate box for resources disposed of by the air carrier or its regulated activity. For these purposes, the amount at which any resources of other persons are hypothecated for the benefit of the air carrier will be considered a resource acquired and the amount at which any resources of the air carrier are hypothecated for the benefit of others will be considered a disposition of resources. Land, buildings, and equipment acquired from or provided other members of an affiliated group under a lease arrangement will be reported in the same manner but separately from resources hypothecated.

(d) The data reported on this schedule shall be grouped within each indicated classification for resources exchanged with separate but associated legal entities and for resources exchanged between the air carrier's regulated activities and separately organized nontransport divisions.

(e) Column 1 shall reflect under each indicated classification the name of each company or other organization with which resources of any type were exchanged during the calendar year. For this purpose income taxes determined on a consolidated basis within an affiliated group shall be classified as an operational service performed by the controlling person which constitutes resource acquisition (or resource purchased) when the tax allocation results in a charge and a resource disposition (or a resource sold) when the tax allocation results in a credit for any tax year.

(f) Column 2 shall reflect for all resources exchanged during the calendar year with each company or other organization reflected in column 1 the aggregate of the invoice price and/or the cost to the provider, less any associated valuation reserve accumulations, as applicable under section 2–18 of this Part 241.

(g) Column 3 shall reflect the estimated market value counterparts of the resource amounts reflected in column 2.

(h) Column 4 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at invoice price or cost to the provider, as applicable. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(i) Column 5 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at estimated market value. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(j) Column 6 shall reflect the debit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which credit adjustments are entailed shall not be aggregated with transactions for which debit adjustments are entailed.

(k) Column 7 shall reflect the credit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which debit adjustments are entailed shall not be aggregated with transactions for which credit adjustments are entailed.

(l) Column 8 shall reflect the net of any current year adjustments with each company listed in column 1 which pertain to settlements of prior years and which are recorded in asset accounts 1250, 1510, or 1520 or liability accounts 2050, 2240, and/or 2245.

(m) Column 9 shall reflect, for each company or other organization, reflected in column 1, the aggregate of the settlements established which should equal the sum of amounts shown in columns 4 and 5 adjusted by the net of amounts shown in columns 6, 7, and 8. The amounts in this column shall conform with the balance of accruals for the year, before liquidation, to accounts 2050, 2240, and/or 2245 with respect to resource acquisitions and accounts 1250, 1510, or 1520 with respect to resource dispositions, for each company or other organization, reflected in column 1, and as reflected at year-end in Schedule B–4—Accounts With Subsidiaries, Other

Associated Companies and Nontransport Divisions.

(n) Column 10 shall reflect the effective interest rate(s), if any, charged on any unliquidated balance of amounts at which resource acquisitions are to be settled and the effective interest rate(s), if any, received on any unliquidated balance of amounts at which resource dispositions are to be settled. Explanatory footnotes shall be used for reporting multiple interest rates or other conditions pertinent to an understanding of effective finance charges.

Schedule B–46—Long-Term and Short-Term Non-Trade Debt

(a) This schedule shall be filed by each supplemental air carrier and shall reflect information pertaining to each issue of long-term debt and short-term debt (other than trade liabilities) in excess of 5 percent of total outstanding debt.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) Column 1 shall reflect a description of each particular issue of debt, such as "Sinking Fund Debentures", "Bank Notes", "Credit Agreement", etc. This column shall also reflect for each issue, a brief description of the terms of payment and, where applicable, conversion privileges, including conversion periods, rates of conversion, and the securities into which convertible.

(d) Columns 2, 3, and 4 shall reflect the date of issue, date of maturity, and the interest rate per annum, respectively.

(e) Column 5 shall reflect the amount of bonds or other evidences of debt originally issued, as distinguished from the amount authorized.

(f) Columns 6 and 7 shall reflect the balance outstanding at the end of the reporting period in accounts 2210 Long-Term Debt and 2010 Current Notes Payable on Schedule B–1, respectively.

(g) Columns 8 and 9 shall reflect the name and address of holders of more than 5 percent of the issue or $500,000, whichever is smaller, showing for each such holder the amount held as at the end of the reporting period.

Section 34—Profit and Loss Elements

Schedules P–1.1 and P–1.2—Income Statement

(a) Schedule P–1.1 shall be filed by each Group I supplemental air carrier and schedule P–1.2 shall be filed by each Group II supplemental air carrier.

(b) Data shall be reported only in the column headed "Quarter." Cumulative "12 Months to Date" information is not required from supplemental air carriers. The caption "operation" is not applicable to supplemental air carriers.

(c) Data reported on this schedule shall conform with the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

(d) "Unappropriated Retained Earnings—Beginning of Period" shall be the sum of Account 2940 "Unappropriated Retained Earnings" and Account 2941 "Net Income" reported on the balance sheet as at the close of the previous quarter.

(e) "Unappropriated Retained Earnings—End of Period" shall be the sum of Account 2940 "Unappropriated Retained Earnings" and Account 2941 "Net Income" reported on the balance sheet as at the close of the current quarter.

Schedule P–2—Notes to Income Statement

(a) This schedule shall be filed by each supplemental air carrier.

(b) All substantive matters which may influence materially interpretations or conclusions in regard to the earnings position of the air carrier which are not clearly identified in the body of the income statement shall be completely and clearly stated in this schedule and cross-referenced to the affected profit and loss account.

(c) Balances in subaccounts 84.1 and 84.2 of profit and loss account 8100 as reported on the P–1 schedules, together with dividends declared in the current period on the stocks of subsidiary companies, shall be noted on this schedule.

Schedule P–3.1—Transport Revenues

(a) This schedule shall be filed by each supplemental air carrier.

(b) The schedule shall reflect the distribution of revenues by geographic area. (See section 31(h).)

(c) Revenues reported shall reflect the aggregate revenue from each indicated class of traffic. In the case of military contracts, type of service shall be reported under the appropriate objective account. Abbreviations may be used in reflecting type of service, such as CAMs (Commercial Air Movements), CAFs (Commercial Air Freight Movements), MAC–FC (Military Airlift Command Fixed Contracts), MAC–CC (Military Airlift Command Call Contracts). The type of aircraft shall also be reported for each type of service, e.g., CAMs—DC–4. Type of service would also include maintenance, equipment modification, personnel training, etc.

(d) The sum of the subdivisions of each objective account reported in this schedule shall agree with the corresponding amounts reported in schedule P–1—Income Statement.

Schedule P–4—Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments

(a) This schedule shall be filed by each Group II supplemental carrier.

(b) Incidental revenues—net shall be reported in this schedule in conformance with the instructions pertaining to each item in section 9–4600 Incidental Revenues—Net.

(c) Receipts from and payments to other air carriers under agreements providing for mutual financial assistance in the case of work stoppage shall be identified in separate amounts for the individual air carriers involved, through appropriate footnote on Schedule P–2 and shall be cross-referenced to account 18, Other Incidental Revenues reflected in this schedule. The note covering payments under such agreements shall identify the items and the amounts of the gross revenues and gross expenses upon which the payments to each air carrier are predicated.

(d) The aggregate of all net incidental revenues reported in this schedule shall agree with the corresponding net amount reported for classification 4600 Incidental Revenues—Net, in Schedule P–1.

(e) Each special income item shall be fully identified and reported in gross amount in this schedule.

(f) Special credits to income during the current accounting period shall be identified in positive amounts and any special debits to income shall be identified by asterisks (*).

(g) Special income and special income tax credit and debit items shall be reported separately.

(h) The net of special income items and the net of special income tax items reported in this schedule shall agree with corresponding amounts reported in schedule P–1.

(i) Deferred Federal income tax adjustments shall be fully explained in the bottom section of this schedule. The explanations for each credit and debit, respectively, shall identify the property to which related, provide a complete description of the adjustment and the reasons for the adjustment.

(j) Dividends declared and retained earnings adjustments shall be fully explained in the bottom section of this schedule. If a dividend is not payable in cash, the values of amounts declared shall be completely described.

Schedules P–5.1 and P–5.2—Aircraft Operating Expenses

(a) Schedule P–5.1 shall be filed by each Group I supplemental air carrier and schedule P–5.2 shall be filed by each Group II supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each column is not applicable to supplemental air carriers.

(c) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type." However, each air carrier may group, on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed wing and rotary wing aircraft types, and between reciprocal engine, turbojet and turboprop aircraft types are established as follows: (1) single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine

types, are to be separately reported. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(d) "Aircraft type" refers to models, such as DC–6, DC–6A, CV–240, L–649, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(e) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting but shall be used for reporting purposes only.

(f) Item 79.6 Applied Maintenance Burden shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between maintenance of flight equipment, by aircraft types, and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings) in accordance with item (d) of the instructions for schedule P–6. The amount reported for this item, in aggregate for all aircraft types, shall agree with the amount reported for the same item reflected on schedule P–6.

(g) Item 73.1 Current Provisions (for obsolescence and deterioration of flight equipment expendable parts) shall reflect the gross provisions for losses in value of expendable parts during the current accounting period.

(h) Item 73.2 Inventory Decline Credits shall reflect credits applicable to the current period for any adjustments for excess inventory levels determined pursuant to section 6–1311.

(i) The total of function 5100 Flying Operations reported on this schedule shall agree with corresponding amounts reported on schedule P–1, and the total of item 5278 Total Direct Maintenance—Flight Equipment shall agree with the corresponding amount reported in schedule P–6.

Schedule P–5(a) Components of Flight Equipment Depreciation

(a) This schedule shall be filed by each supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each schedule is not applicable to supplemental air carriers.

(c) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type." However, each air carrier may group, on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed-wing and rotary-wing aircraft types, and between reciprocal-engine, turbojet and turboprop aircraft types are established as follows: (1) Single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine types, are to be separately reported. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(d) "Aircraft type" refers to models, such as DC–6, DC–6A, CV–240, L–649, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(e) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting but shall be used for reporting purposes only.

(f) All items shall be completed by each Group II air carrier, and all items except items 76.3, 76.4, 70.3, and 70.4 shall be completed by each Group I air carrier. Items 76.1 through 76.6 shall reflect flight equipment depreciation expense provisions computed in accordance with such standards as may be or are prescribed for regulatory purposes. Items 70.1 through 70.6 shall reflect the difference between the amounts reported in items 76.1 through 76.6 on this schedule and the flight equipment depreciation amounts reported in items 75.1 through 75.6 on Schedule P–5.1 or P–5.2, as applicable. Item 75.6 shall reflect the flight equipment depreciation amounts reported in this item on Schedule P–5.1 or P–5.2, as applicable.

(g) Amounts included in line items 70.1 through 70.5 shall be explained in the bottom section of this schedule. The explanation shall set forth the factors giving rise to the differences between regulatory components and carrier components of flight equipment depreciation expense.

Schedule P–6—Maintenance, Passenger Service, and General Services and Administration Expense Functions

(a) This schedule shall be filed by each supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each column is not applicable to supplemental air carriers.

(c) Group I supplemental air carriers shall report the indicated data for all items except function 5500 Passenger Service.

(d) Group II supplemental air carriers shall report the indicated data for all items except function 6900 General Services and Administration.

(e) Items 79.6 Applied Maintenance Burden-Flight Equipment and 79.8 Applied Maintenance Burden-General Ground Property, respectively, shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between maintenance of flight equipment (by aircraft types) and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings for which costs are included in subfunction 5300). Where air frame and aircraft engine overhauls are accounted for on the accrual basis to produce a matching of costs with the operation of aircraft, the allocation of maintenance burden shall give effect to charges and credits to profit and loss account 5272 Flight Equipment Airworthiness Provisions in order to effect an equitable allocation of such maintenance burden costs. Each supplemental air carrier shall file with the Civil Aeronautics Board a statement as a supplement to this schedule in which the procedures to be followed in allocating maintenance burden are fully explained. Revisions in such allocation procedures shall not be effected for 30 days following written notice to the Civil Aeronautics Board. (See section 32(d).) At the option of the supplemental air carrier, standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at least once each accounting year and the amounts allocated are adjusted to reflect the actual costs incurred for the full accounting year. Any differences between actual burden costs incurred during each quarter and amounts applied at standard rates shall be entered as item 79.9 Over or Under Applied Burden.

(f) The sum of the totals of subfunctions 5200 Direct Maintenance and 5300 Maintenance Burden shall agree with the corresponding amount reported in function 5400 on schedule P–1. The total of function 6900 General Services and Administration reported in this schedule by Group I supplemental air carriers shall agree with the corresponding amount reported on schedule P–1.

Schedule P–7—Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions

(a) This schedule shall be filed by each Group II supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each column is

not applicable to supplemental air carriers.

(c) Supplemental air carriers shall report the indicated data for all items except subfunction 6100 Aircraft Servicing.

(d) The total of each functional expense classification reported in this schedule shall agree with the corresponding amount reported on schedule P–1.

Section 35—Traffic and Capacity Elements

General Instructions

(a) The prescribed reporting for traffic and capacity elements is designed to reflect the physical factors related to air transport operations as actually conducted.

(b) All statistics to be reported in the following schedules shall be compiled in accordance with the definitions set forth in section 03 Definitions for Purposes of This System of Accounts and Reports. In principle, elements which are common to different statistics shall be measured on a consistent basis for all statistics of which they are a component. Thus, all passenger-mile, seat-mile, ton-mile and aircraft-mile statistics applicable to a particular service or operation shall be compiled on a direct airport-to-airport mileage basis in terms of a consistent measurement of aircraft movement by flight stages. All statistics pertaining to actual operations shall be compiled in terms of each flight stage as actually performed.

(c) As a general rule, the traffic and capacity measurements to be reported on these schedules are designed to represent the physical operations reflected by the revenues and expenses, respectively, for the same period. Thus, except as separately provided for, aircraft capacity elements associated with deferred costs are not to be included in reported statistics whereas the revenue traffic elements associated with flights for which costs but not revenues are deferred shall be reported as if carried on other flights and the amounts so included shall be disclosed by footnote to the applicable item. For purposes of reporting by aircraft types on schedule T–3.1, small single-engine aircraft types may be grouped in accordance with the instructions in section 34, schedule P–5.1, paragraph (c).

Schedule T–3.1—Statement of Traffic and Capacity Statistics

(a) This schedule shall be filed by each supplemental air carrier.

(b) Separate schedules shall be filed for (1) domestic within the 48 contiguous States; (2) domestic-Alaska/Hawaii; (3) territorial; and (4) international including Canadian transborder by aircraft types. (See section 31(h).)

(c) Each schedule shall reflect a distribution of data by individual sales, charter or military services.

(d) All mileage data shall be based upon direct airport-to-airport distances as distinguished from course-flown distances. Mileage related to flights which are not measurable in terms of airport-to-airport distances shall be determined by applying a typical airport-to-airport speed for each aircraft type to the aircraft hours flown by each aircraft type in such flights.

(e) Aircraft hours data shall be based upon the time each aircraft becomes airborne on takeoff to the time of ground contact upon landing.

(f) Aircraft days assigned to service by aircraft type shall reflect the sum of the number of days that each aircraft owned by the reporting carrier and each aircraft rented, leased or borrowed from others is in the possession of the carrier. For reporting purposes, part of a day shall be considered a full day. Aircraft days assigned to service need not be reported separately for domestic, territorial, and international operations, but may be reported in total on the domestic sheet.

(g) Available ton-miles shall be computed by multiplying the miles flown per each interstation trip in revenue service by the available load for that trip. In determining the available load, the supplemental carrier may use either the actual capacity for each trip or an average for each type of aircraft which represents the capacity actually available for sale in its operations.

(h) Available seat-miles shall be computed by multiplying the miles flown per each interstation trip by the number of seats available on that trip for the carriage of passengers. In determining the number of available seats, the supplemental carrier may use either the actual capacity for each trip or a standard which represents an average for each type of aircraft used in the carrier's operations.

(i) Each supplemental air carrier shall submit to the Civil Aeronautics Board a detailed statement of its method of computing available ton-miles and available seat-miles for each type of aircraft operated. Also, any future changes in methods of computation shall be submitted, subject to review and approval by the Civil Aeronautics Board. (See section 32(d).) The measurement of available aircraft capacity may reflect company minimum fuel requirements in lieu of the requirements under Civil Air Regulations, provided that the use of such company fuel requirements is indicated in the above statement and that the statement contain certification by a responsible company official that said fuel loads are not in excess of company safety requirements. The reason for exclusion of any installed seats in the computation of available seat-miles with respect to any aircraft type and the provisions made for protecting against the sale of such seats shall be described in this statement and shall be certified to by a responsible company official. (See section 03 "seats available".)

(j) Revenue passenger originations shall represent an unduplicated count of passengers originating journeys on the lines of each reporting entity. (See Section 03 "Passenger originations.")

(k) Revenue passenger-miles shall be computed by multiplying the revenue miles flown per each interstation trip by the number of revenue passengers carried on that trip.

(l) Revenue freight-ton-miles shall be computed by multiplying the revenue miles flown per each interstation trip by the number of tons of freight carried on that trip.

(m) The number of employees shall represent the total number of full and part-time employees, both permanent and temporary, who worked or received pay for any part of the pay period(s) ending nearest the 15th of the final month during the current quarter.

Schedule T–6—Summary of Civil Aircraft Charters

(a) This schedule shall be filed by each supplemental air carrier.

(b) Separate reports shall be filed for each of the below-named types of charters and the type shall be inserted opposite the caption "Type of Charter."

(1) Inclusive tour charter, as defined in Part 378 of the Board's Special Regulations.

(2) Single entity charter, as defined in Part 208 of the Board's Economic Regulations. Charters in which passengers and cargo are carried on the same aircraft are to be reported as single entity charters.

(3) Split charter, as provided for in § 208.6 of the Board's Economic Regulations.

(4) Pro rata charter, as defined in Part 208 of the Board's Economic Regulations. Mixed charters, as defined in Part 208, are to be reported as pro rata charters.

(5) All-cargo charter.

(6) Study group charter, as defined in Part 373 of the Board's Special Regulations.

(7) Overseas military personnel charter, as defined in Part 372 of the Board's Special Regulations.

(c) The data for each flight shall be reported in the quarter in which its performance actually begins. If a charter contract calls for more than one flight, each of the flights shall be reported in the quarter in which it actually begins. Round trips shall be reported as a single service without breakdown by directional components.

(d) All points included in the report shall be identified by the three-letter airport code used in the Official Airline Guide.

(e) All civilian charter flights shall be reported, including those which do not have a U.S. point in the itinerary; military charters shall not be reported.

(f) Columns 1 and 2 shall reflect the origin and destination, respectively, of the charter flight. For round-trip charters, the origin point shall be shown also as the destination point.

(g) Column 3 shall reflect the number of flights which begin in the current quarter.

(h) Columns 4 and 5 shall reflect, respectively, the aggregate number of seats and the aggregate cargo capacity in tons contracted for on flights reported in Column 3. Column 4 on the split charter report shall reflect a breakdown of the aggregate number of seats contracted for (on flights reported in column 3) by type

of charter group. The following symbols shall be used: A—single entity; B—pro rata; C—study group; D—inclusive tour; and E—overseas military personnel.

(i) Columns 6 through 12 shall reflect the intermediate points (where a portion of the charter traffic is either enplaned or deplaned) in operating sequence between origin and destination. On round-trip flights, all stopover points other than the common origin and destination shall be shown as intermediate points. Indicate instances where there is a break in air transportation, such as surface travel, by placing an asterisk between the pairs of points where such a break occurs.

Section 36—General Corporate Elements

Schedule G–41—Persons Holding More Than 5 Per Centum of Respondent's Capital Stock or Capital

(a) This schedule shall be filed by each supplemental air carrier.

(b) Columns 1 and 2 shall reflect the names and addresses of all persons who hold, as of the end of any month of the year, more than five (5) per centum of the issued and outstanding capital stock or, in the case of an unincorporated business enterprise, more than five (5) per centum of the total invested capital of the reporting carrier.

(c) Column 3, "Held for Own Account", shall reflect by the word "yes" or "no" whether or not the interest is held for the account of the person named in column 1. In cases where the answer is "no" the name and address of the persons for whose account the interest is held shall be indicated by footnotes.

(d) Columns 4 through 7 shall pertain to the capital stock or the invested capital (exceeding 5 percent) held by the persons named in column 1. Column 4 shall reflect the class(es) of those shares held; column 5 shall reflect the maximum number of shares of each class of stock or the maximum amount of invested capital held as of the end of any month of the year; column 6 shall reflect the percent of total outstanding capital which such maximum shares or maximum invested capital represent; and column 7 shall reflect the number of such shares or amount of invested capital held at year end.

Schedule G–42—Compensation and Expenses of All General Officers and Directors and of Management Personnel Receiving $20,000 or More per Annum for Personal Services

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported individually for each elective corporate officer, executive and director. The dates to be reported in column 3 shall be the dates each such elective officer, executive and director was first elected to the office held at the date of the report. Reports shall be made in aggregate for all management personnel receiving compensation for personal services of $20,000 or more per annum. The name of each elective officer, executive and director and the number of management personnel receiving $20,000 or more per annum shall be entered in column 1; the annual compensation and reimbursed expenses paid during the calendar year to each officer, executive and director, and the aggregate thereof for all such management personnel, shall be entered in columns 5, 6, and 7, respectively; and the upper and lower limits in the range of compensation and expenses paid to management personnel shall be separately stated in such columns 5, 6, and 7.

(c) Management personnel shall include all general supervisory and administrative personnel not directly responsible for the in-flight operation of aircraft or engaged directly in the performance of maintenance activities. Management personnel, as distinguished from elective officers and directors, for whom report is to be made shall include those who receive $20,000 or more compensation for personal services during the previous calendar year and those initially employed during the current calendar year at an annual compensation rate of $20,000 or more.

(d) Indirect compensation in column 6 shall include payments made by persons holding management contracts providing for management of, or services to, the air carrier or its associated companies.

(e) Expenses borne by the supplemental air carrier to be reported in column 7 shall include all reimbursements to the persons listed in column 1, regardless of whether for goods or services used by the persons listed or by others; whether in the form of per diem or other allowances, or reimbursement for specific expenditures; and whether for amounts reimbused directly to the persons listed or, except for standby hotel or other facilities maintained for the air carrier's personnel generally, indirectly through vendors who bill the air carrier directly.

(f) Columns 8 through 11 shall reflect securities of the supplemental air carrier owned by officers, directors, or management personnel as at December 31. Column 8 shall reflect the class of capital stock, bonds or other securities of the air carrier owned; columns 9 and 10, respectively, shall reflect the number of shares of stock held in the name of, or for the account of, each general officer, and director, and all management personnel receiving $20,000 or more per annum; and column 11 shall reflect the principal amount of bonds or other securities held in the name of, or for the account of, each general officer and director and all management personnel receiving $20,000 or more per annum for personal services.

Schedule G–43—Compensation and Expenses of Persons and Firms (Other Than Directors, Officers and Employees) Receiving $5,000 or More During the Calendar Year

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for each person or firm, other than directors, officers and employees of the supplemental air carrier, receiving compensation or expense reimbursements of $5,000 or more during the calendar year.

(c) Compensation and expenses to be reported in this schedule shall include fees, retainers, gifts, commissions, contributions, allowance for expenses or any form of payments amounting in the aggregate to $5,000 or more during the year. In addition to expense reimbursements paid directly to the recipients reflected in column 1, this schedule shall include expenses incurred by the persons or firms named in column 1 which have been paid directly to vendors by the supplemental air carrier. Expenses to be reported in this schedule shall encompass payments, such as for legal, medical, engineering, advertising, accounting, statistical, educational, or charitable purposes but shall exclude payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine physical operation or maintenance of an air carrier such as payments for rent of buildings or property, for heat, light, power, telegraph, and telephone or payments to other carriers for interchange of equipment or settlement of interline traffic balances.

(d) "Persons or firms" shall be construed to mean individuals, partnerships, corporations or other legal entities.

Schedule G–44—Corporate and Securities Data

(a) This schedule shall be filed by each supplemental air carrier.

(b) The information to be reported on this schedule shall be prepared in accordance with the detailed instructions set forth on the schedule, as follows: (Corporations shall complete all of the following items; partnerships and sole proprietorships are not required to report items 4, 5, and 7.)

(1) The supplemental air carrier's exact name at the close of the year. Also, indicate whether the supplemental air carrier is a corporation, partnership or sole proprietorship.

(2) Date of incorporation or other organization.

(3) State or other sovereign power under which incorporated or otherwise organized.

(4) Date of termination of charter.

(5) Date and place of annual meetings.

(6) A complete statement setting forth dates of all consolidations, mergers, reorganizations, changes in name, etc., occurring during the year. If, during the year, an original charter of incorporation or a modification of an existing charter was granted, furnish the name of each Government, State or Territory, and reference to each statute under which such grant was made.

(7) With respect to any options outstanding at the close of the fiscal year to purchase securities of the air carrier from the air carrier, the following information shall be reported:

(i) The amount, with the title of the issue, called for by such options.

(ii) A brief outline of the prices, expiration dates, and other material conditions on which such options may be exercised.

(iii) The name and address of each person holding such options calling for more than 5 percent of the total amount subject to option, and the amount called for by the options of each person.

(iv) For each class of such options not previously reported, state the consideration for the granting thereof.

NOTE: The reporting requirements contained herein have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

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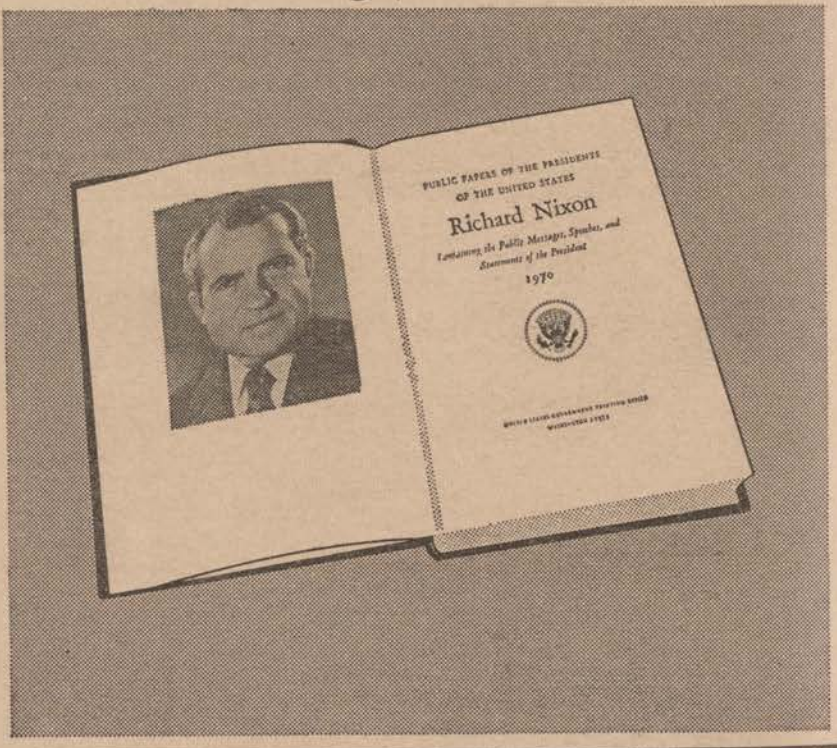

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