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Weekly List of Public Laws

This is a listing of public bills enacted by Congress and approved by the President, together with the law number, the date of approval, and the U.S. Statutes citation. Subsequent lists will appear every Wednesday in the FEDERAL REGISTER, and copies of the laws may be obtained from the U.S. Government Printing Office.

S. 1841 ..... Public Law 93–107
To amend Communications Act of 1934 regarding broadcasting of certain professional sports. (Sept. 14, 1973; 87 Stat. 350)

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Title 3—The President

PROCLAMATION 4244

Child Health Day, 1973

By the President of the United States of America

A Proclamation

There are few things in life more delightful than the sight of healthy children—enjoying their youth and looking forward to a long and fulfilling life. One of our most important national responsibilities is the assurance of full and healthy development for the children of America.

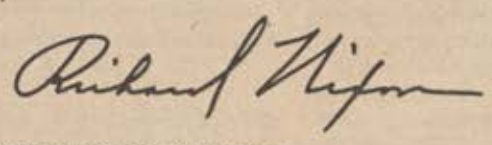
Parents, of course, have the primary responsibility for the health of their children and the home is the greatest single influence on child development. But the responsibility for child health is also shared by a wide range of the institutions which help meet children's needs. In a sense, almost everything we do as a people to foster better social, economic and environmental conditions can have an impact for good on the health of the American child.

Each year since 1928, we have set aside one day as Child Health Day to recognize the enormity of our individual and national responsibility and to reaffirm our commitment to child health.

By joint resolution of May 18, 1928, as amended (36 U.S.C. 143), the Congress requested the President to issue annually a proclamation declaring the first Monday in October as Child Health Day.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby proclaim Monday, October 1, 1973, as Child Health Day. I invite all citizens, agencies and organizations concerned with child health to join in such activities as will help alert all Americans to the vital importance of improving child health.

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



[FR Doc.73-20067 Filed 9-17-73;5:10 pm]

Rules and Regulations

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

Title 5—Administrative Personnel

CHAPTER I—CIVIL SERVICE COMMISSION

PART 213—EXCEPTED SERVICE

Department of Housing and Urban Development

Section 213.3384 is amended to show that one position of Director, Urban Program Coordination, is no longer excepted under Schedule C, and that one position of Assistant to the Secretary (Public Affairs) is excepted under Schedule C.

Effective on September 19, 1973, § 213.3384(a)(43) is revoked and § 213.3384(a)(53) is added as set out below.

§ 213.3384 Department of Housing and Urban Development.

(a) *Office of the Secretary.* • • •

(43) [Revoked]

• • • • •

(53) Assistant to the Secretary (Public Affairs).

• • • • •

((5 U.S.C. secs. 3301, 3302), E.O. 10577, 3 CFR 1954–58 Comp., p. 218.)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19954 Filed 9-18-73;8:45 am]

Title 6—Economic Stabilization

CHAPTER I—COST OF LIVING COUNCIL

PART 150—COST OF LIVING COUNCIL PHASE IV PRICE REGULATIONS

Certain Exemption Relating to the Sale of Petroleum Products

The purpose of these amendments is to clarify which exemptions the Cost of Living Council intends to apply to a seller of "covered products" of petroleum as defined in Subpart L of Part 150.

Under the prior regulations, the small business exemption was not applicable to a firm which was engaged in the business of selling covered products. Thus, any seller of covered products who would otherwise qualify for the small business exemption was disqualified entirely due to the sale of the petroleum products. The amendment makes it clear that it is the intent of the Council to regulate only the sale of the covered products. Sales of products other than covered products are exempt if the seller otherwise meets the requirements of the exemption.

The small retailer exemption is also amended to conform with the same policy expressed in the amended small business exemption provisions. The small retailing or restaurant exemption had inadvertently not been restricted in the same manner as the small business exemption in regard to sales of covered products. This amendment now provides that price adjustments to petroleum products are not covered by the small retailing exemption although all other activities of the small retailer remain exempt.

Because the purpose of these amendments is to provide immediate guidance as to Cost of Living Council decisions, I find that publication in accordance with normal rulemaking procedures is impracticable and that good cause exists for making this amendment effective in less than 30 days. Interested persons may submit comments regarding these amendments. Communications should be addressed to the Office of General Counsel, Cost of Living Council, Washington, D.C. 20508.

(Economic Stabilization Act of 1970, as amended, Pub. L. 92-210, 85 Stat. 743; Pub. L. 93-28, 87 Stat. 27; E.O. 11695, 38 FR 1473; E.O. 11730, 38 FR 19345; Cost of Living Council Order No. 14, 38 FR 1489.)

In consideration of the foregoing, Chapter I of Title 6 of the Code of Federal Regulations is amended as follows, effective immediately.

Issued in Washington, D.C., on September 17, 1973.

JOHN T. DUNLOP,
Director,
Cost of Living Council.

1. Section 150.54(1) is amended to read as follows:

§ 150.54 Certain Price Adjustments.

• • • • •

(1) *Small retailing or restaurant activities.* Price adjustments, except price adjustments to "covered products" as defined in Subpart L, of firms with annual sales or revenues of less than $100,000 which are primarily engaged in retailing or restaurant activities are exempt.

2. Section 150.60(a)(2)(v) is amended to read as follows:

§ 150.60 Small Business: Exemption of firms with 60 or fewer employees.

(a) *Applicability to firms existing on or before March 31, 1973.*

• • • • •

(2) *Exemption not applicable.* The exemption provided for in paragraph (a)(1) of this section shall not be applicable to:

• • • • •

(v) The sale of any "covered products" as defined in Subpart L.

3. Section 150.60(b)(2)(vi) is amended to read as follows:

§ 150.60 Small business: Exemption of firms with 60 or fewer employees.

• • • • •

(b) *Applicability to firms coming into existence on or after April 1, 1973.*

• • • • •

(2) *Exemption not applicable.* The exemption provided for in paragraph (b)(1) of this section shall not be applicable to:

• • • • •

(vi) The sale of any "covered products" as defined in Subpart L.

[FR Doc.73-20020 Filed 9-17-73;3:30 pm]

Title 7—Agriculture

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

PART 981—HANDLING OF ALMONDS GROWN IN CALIFORNIA

Salable and Reserve Percentages for the 1973–74 Crop Year

Notice of proposed salable and reserve percentages of 100 and 0 percent, respectively, for California almonds for the 1973–74 crop year was published in the August 28, 1973, issue of the FEDERAL REGISTER (38 FR 22966). The 1973–74 crop year began July 1, 1973.

The proposal was unanimously recommended by the Almond Control Board pursuant to the provisions of the marketing agreement, as amended, and Order No. 981, as amended (7 CFR Part 981), regulating the handling of almonds grown in California. The marketing agreement and order program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). No export percentage for reserve almonds was recommended by the Board because of its recommendation for a reserve percentage of 0 percent.

The notice afforded interested persons opportunity to submit written data, views, or arguments with respect to the proposal. No comments were received within the prescribed time. One comment was received after the prescribed time concurring with the proposal.

The proposal was partly based on the following estimates (kernel weight basis) made by the Board for the crop year beginning July 1, 1973:

(1) Production of 155 million pounds;

(2) Trade demand for domestic almonds of 75 million pounds;

(3) Handler carryover of 16 million pounds on July 1, 1973;

(4) Desirable handler carryover of 21 million pounds on June 30, 1974;

(5) Trade demand and desirable handler carryover requirements for 1973 crop almonds of 80 million pounds (item 2 plus 4 minus 3); and

(6) Export requirements of 75.0 million pounds.

The Board also considered the strong world demand for almonds and the estimated shortage in available world supplies. The resulting demand for California almonds is very strong in all markets, and buyers are actively bidding for California almonds. The Board concluded that handlers may find difficulty meeting the needs of all their customers. The percentages for the 1973–74 crop year of 100 percent salable and 0 percent reserve should provide handlers maximum flexibility in the disposition of their almonds.

The estimated season average price to producers for 1973 crop almonds is likely to exceed parity. Trade information indicates that much of the 1973 crop has been sold in advance at f.o.b. California prices which would return to growers prices well in excess of the parity level.

After consideration of the Board's recommendation and supporting information and other available information, it is found that to establish salable and reserve percentages as hereinafter set forth will tend to effectuate the declared policy of the act.

It is further found that good cause exists for not postponing the effective time until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) because: (1) This action is applicable to operations under the order during the 1973–74 crop year, which began July 1, 1973; (2) this action will require no advance preparation by handlers; (3) this action places no restrictions on handlers; and (4) no useful purpose would be served by delaying this action.

Therefore, the salable and reserve percentages for almonds received by handlers for their own accounts during the 1973–74 crop year are established as follows:

§ 981.223 Salable and reserve percentages for almonds during the crop year beginning July 1, 1973.

The salable and reserve percentages during the crop year beginning July 1, 1973, shall be 100 and 0 percent, respectively.

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

Dated September 14, 1973.

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

[FR Doc.73-19927 Filed 9-18-73;8:45 am]

CHAPTER X—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; MILK), DEPARTMENT OF AGRICULTURE

[Milk Order No. 50]

PART 1050—MILK IN THE CENTRAL ILLINOIS MARKETING AREA

Order Suspending a Certain Provision

This order of suspension is issued pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the order regulating the handling of milk in the Central Illinois marketing area.

It is hereby found and determined that for the months of September and October 1973 the following provision of the order does not tend to effectuate the declared policy of the Act:

In § 1050.12, paragraph (a)(2).

Statement of consideration. This suspension will continue for the months of September and October 1973 the effect of a current suspension order which removed the total route sales percentage requirement for distributing plants. The action thereby will enable a distributing plant that meets only the in-area route sales requirement specified in the order to qualify as a pool plant during those months.

The suspension action was requested by Prairie Farms Dairy, Inc., a cooperative association that operates a pool distributing plant under the order. The association bases its request on the record of a hearing held in Bridgeton, Missouri, on May 23, 1973, and on a recommended decision in this matter issued on July 23, 1973, which would modify the pool distributing plant performance standards. Cooperatives representing a majority of the producers on the market supported the suspension at the hearing.

Without this suspension, proponent's plant will not be able to qualify as a pool plant during the months of September and October. As a result, a substantial number of dairy farmers supplying the market will lose their producer status.

It is hereby found and determined that notice of proposed rulemaking, public procedure thereon, and thirty days' notice of the effective date hereof is impractical, unnecessary and contrary to the public interest in that:

(a) This suspension is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area;

(b) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date; and

(c) This suspension continues the effect of a previous suspension of the same provision. The modification of the pooling provisions was considered at a hearing at Bridgeton, Missouri, on May 23, 1973. The recommended decision issued on July 23, 1973, recommended a modification of the present pooling provisions. There is no indication of any opposition to this suspension.

Therefore, good cause exists for making this order effective with respect to producer milk deliveries during September and October 1973.

It is therefore ordered, That the aforesaid provision of the order is hereby suspended for the months September and October 1973.

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

Effective date.—September 19, 1973.

Signed at Washington, D.C., on September 14, 1973.

CLAYTON YEUTTER,
Assistant Secretary.

[FR Doc.73-19879 Filed 9-18-73;8:45 am]

CHAPTER XIV—COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE

[CCC Grain Price Support Regulations, 1973 Crop Corn Supplement]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—1973 Crop Loan and Purchase Program

Correction

In FR Doc. 73–18516 appearing at page 23935 for the issue of Wednesday, September 5, 1973, make the following changes:

1. In the introductory paragraph of § 1421.116, in the fifteenth line, add "(1)" after the word "based"; and in the seventeenth line, add "(2)" between the words "and" and "on."

2. a. In paragraph (a) of § 1421.116, under the *"Rate per bushel"* headings make the following changes: (1) For "Mills" county in Iowa change "1.03" to read "1.05", (2) for "Ellis" county in Kansas change "1.14" to read "1.107", and (3) for "Kent" county in Michigan change "1.09" to read "1.10."

b. Under the entry for "Oregon", add the following:

All counties	$1.23

Title 17—Commodity and Securities Exchanges

CHAPTER II—SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33–5418, 34–10370, 35–18079, 40–7973]

PART 210—FORM AND CONTENT OF FINANCIAL STATEMENTS, SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935, AND INVESTMENT COMPANY ACT OF 1940

Disclosure of Compensating Balances; Extension of Effective Date

This release amends Rule 5–02–1 (paragraph 1 of § 210.5–02 of 17 CFR Part 210) as it relates to the disclosure of compensating balances to defer for sixty days the date after which disclosure will be required on interim balance sheets

while the Commission continues to consider comments received on proposed changes in rules and guidelines for compensating balances. Paragraph 1 of § 210.5–02 is hereby amended by changing August 31, 1973 in the last line to October 31, 1973, as given below:

§ 210.5–02 Balance sheets.

* * * * *

1. Cash and cash items.—State separately (a) cash on hand and demand deposits; (b) funds subject to repayment on call or immediately after the date of the balance sheet required to be filed; (c) time deposits; and (d) other funds, the amounts of which are known to be subject to withdrawal or usage restrictions, e.g. as compensating balances or special purpose funds. The general terms and nature of such repayment provisions and withdrawal or usage restrictions shall be described in a note referred to herein. Funds subject to withdrawal or usage restrictions shall not be included under this caption unless they are reasonably expected to become available for current operations within one year. The requirement of this paragraph relating to disclosure of compensating balances is effective for financial statements covering periods beginning on or after December 30, 1972, but in no event shall such disclosure be required for financial statements filed prior to October 31, 1973.

* * * * *

The amendment to Rule 5–02–1 of Regulation S–X is adopted pursuant to the authority conferred on the Commission by the Securities Act of 1933, particularly sections 6, 7, 8, 10, and 19(a) thereof; the Securities Exchange Act of 1934, particularly section 12, 13, 15(d), and 23(a) thereof; the Public Utility Holding Company Act of 1935, particularly sections 5(b), 14, and 20(a) thereof; and the Investment Company Act of 1949, particularly sections 8, 30, 31(c) and 38(a) thereof.

(Secs. 6, 7, 8, 10, 19(a), 48 Stat. 78, 79, 81, 85, secs. 205, 209, 48 Stat. 906, 908, sec. 8, 68 Stat. 685, (15 U.S.C. 77f, 77g, 77h, 77j, 77s); secs. 12, 13, 15(d), 23(a), 48 Stat. 892, 894, 895, 901, secs. 3, 8, 49 Stat. 1377, 1379, secs. 3, 4, 6, 10, 78 Stat. 565, 569, 570, 580, secs. 1, 2, 84 Stat. 1497, (15 U.S.C. 78l, 78m, 78o(d), 78w); secs. 5(b), 14, 20(a), 49 Stat. 812, 827, 833, (15 U.S.C. 79e, 79n, 79t); secs. 8, 30, 31(c), 38(a), 54 Stat. 803, 836, 838, 841, sec. 3(c), 84 Stat. 1415 (15 U.S.C. 80a–8, 80a–29, 80a–30(c), 80a–37(a).)

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

AUGUST 30, 1973.

[FR Doc.73–19868 Filed 9–18–73;8:45 am]

Title 21—Food and Drugs

CHAPTER I—FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SUBCHAPTER C—DRUGS

PART 135b—NEW ANIMAL DRUGS FOR IMPLANTATION OR INJECTION

Sodium Thiopental, Sodium Pentobarbital; Correction

In FR Doc. 73–17927 appearing at page 22791 of the FEDERAL REGISTER of Friday, August 24, 1973, the reference in the preamble to Amdal Co., Div. of Abbott Laboratories should be changed to Agricultural and Veterinary Products Div., Abbott Laboratories, and in § 135b.54(b) reference to code No. 003 should be changed to code no. 068.

Dated September 12, 1973.

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

[FR Doc.73–19873 Filed 9–18–73;8:45 am]

PART 135c—NEW ANIMAL DRUGS IN ORAL DOSAGE FORMS

Doxylamine Succinate Tablets

The Commissioner of Food and Drugs has evaluated a supplemental new animal drug application (6–602V) filed by Jensen-Salsbery Laboratories, Division of Richardson-Merrell, Inc., Kansas City, MO 64141, proposing revised labeling for the safe and effective use of doxylamine succinate tablets for treatment of dogs, cats, and horses. 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.115 Doxylamine succinate tablets.

(a) *Specifications.* The drug is in tablet form and contains doxylamine succinate as the active drug ingredient.

(b) *Sponsor.* See code No. 062 in § 135.501(c) of this chapter.

(c) *Conditions of use.* (1) The drug is used in conditions in which antihistaminic therapy may be expected to alleviate some signs of disease in horses, dogs, and cats.

(2) It is administered orally to horses at a dosage level of 1 to 2 milligrams per pound of body weight per day divided into 3 or 4 equal doses. It is administered orally to dogs and cats at a dosage level of 2 to 3 milligrams per pound of body weight per day divided into 3 or 4 equal doses.

(3) Not for use in horses intended for food.

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

Effective date.—This order shall be effective on September 19, 1973.

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

Dated September 12, 1973.

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

[FR Doc.73–19874 Filed 9–18–73;8:45 am]

PART 135c—NEW ANIMAL DRUGS IN ORAL DOSAGE FORMS

PART 149b—AMPICILLIN

Ampicillin Trihydrate Boluses, Veterinary

The Commissioner of Food and Drugs has evaluated a new animal drug application (55–056V) filed by E. R. Squibb & Sons, Georges Road, New Brunswick, NJ 08902, proposing the safe and effective use of ampicillin trihydrate boluses for the treatment of calves. The application is approved.

Because the drug is subject to batch certification under provisions of section 512(n) of the Federal Food, Drug, and Cosmetic Act, this order provides for appropriate amendments to the antibiotic drug certification regulations.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512 (i) and (n), 82 Stat. 347, 350–351 (21 U.S.C. 360b (i) and (n))); and under authority delegated to the Commissioner (21 CFR 2.120), Parts 135c and 149b are amended as follows:

1. Part 135c is amended by adding the following new section:

§ 135c.107 Ampicillin trihydrate boluses, veterinary.

(a) *Specifications.*—The drug is in bolus form and conforms to the certification requirements of § 149b.23 of this chapter.

(b) *Sponsor.*—See code No. 035 in § 135.501(c) of this chapter.

(c) *Related tolerances.*—See § 135g.83 of this part.

(d) *Conditions of use.*—(1) It is administered orally to non-ruminating calves for the treatment of colibacillosis caused by *E. coli*, bacterial enteritis caused by *Salmonella spp.* and bacterial pneumonia caused by *Pasteurella spp.*

(2) It is administered at a dosage level of 5 milligrams per pound of body weight twice daily.

(3) For use in non-ruminating calves only. Not for use in other animals which are raised for food production.

(4) Treated calves must not be slaughtered for food during treatment and for 15 days after the last treatment.

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

2. Part 149b is amended by adding the following new section:

§ 149b.23 Ampicillin trihydrate boluses, veterinary.

(a) *Requirements for certification—(1) Standards of identity, strength, quality and purity.*—Ampicillin trihydrate boluses are composed of ampicillin trihydrate with or without one or more suitable and harmless diluent buffers, preservatives, stabilizing agents and lubricants. Each bolus contains the equivalent of 400 milligrams of ampicillin. Its potency is satisfactory if it is not less than 90 and not more than 120 percent of the number of milligrams of ampicillin that it is represented to contain. Its moisture

content is not more than 5 percent. The ampicillin trihydrate used conforms to the standards prescribed in § 146a.6(a).

(2) *Labeling.*—It shall be labeled in accordance with the requirements of § 148.3 of this chapter, except that in lieu of the requirements of § 148.3(a)(1), it shall be labeled in accordance with the requirements prescribed by § 1.106(c) of this chapter.

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

(i) Results of tests and assays on:

(*a*) The ampicillin trihydrate, used in making the batch, for potency, safety, loss on drying, pH, ampicillin content, crystallinity, and identity.

(*b*) The batch for potency and loss on drying.

(ii) Samples required:

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

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

(b) *Test and methods of assay*—(1) *Potency.*—Use *either* of the following methods, however, the results obtained from the microbiological agar diffusion assay shall be conclusive:

(i) *Microbiological agar diffusion assay.*—Proceed as directed in § 141.110 of this chapter, preparing the sample for assay as follows: Place a representative number of boluses into a high-speed glass blending jar with sufficient 0.1*M* potassium phosphate buffer pH 8.0 (solution 3) to give a stock solution of convenient concentration. Blend for 3 to 5 minutes. Remove an aliquot and further dilute with solution 3 to the reference concentration of 0.1 microgram ampicillin per milliliter (estimated).

(ii) *Iodometric assay.*—Proceed as directed in § 141.506 of this chapter, preparing the sample as follows: Place a representative number of boluses in a high-speed glass blender jar and add sufficient distilled water to give a convenient concentration. Blend for 3 to 5 minutes. Further dilute an aliquot with distilled water to the prescribed concentration.

(2) *Loss on drying.*—Proceed as directed in § 141.501(a) of this chapter.

Effective date.—This order shall be effective September 19, 1973.

(Secs. 512 (i) and (n), 82 Stat. 347, 350–351 (21 U.S.C. 360b (i) and (n)).)

Dated September 12, 1973.

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

[FR Doc.73-19875 Filed 9-18-73;8:45 am]

Title 26—Internal Revenue

CHAPTER I—INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY

SUBCHAPTER A—INCOME TAX

[T.D. 7285]

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

Use of the Full Absorption Method of Inventory Costing

By a notice of proposed rulemaking appearing in the FEDERAL REGISTER for Tuesday, February 13, 1973 (38 FR 4337), amendments to the Income Tax Regulations (26 CFR Part 1) were proposed in order to revise the rules relating to inventory costing. After consideration of all such relevant matter as was presented by interested persons, by way of written comments and a public hearing, regarding the rules proposed, certain changes were made, and the proposed amendments of the regulations, subject to the changes indicated below, are adopted by this document.

The regulations require the use of a "full absorption" method of inventory costing for all taxpayers engaged in manufacturing or production operations. Such rule should simplify the tax reporting for many businesses and eliminate the uncertainty and controversy of past practices.

To provide guidance to taxpayers as to which costs are includable or excludable in the computation of inventoriable costs, the regulations establish three cost categories. Under this approach certain costs are always required to be included in the computation of inventoriable costs and certain other costs are not required to be included in the computation of inventoriable costs. The final regulations contain some modifications and clarifications of costs contained in these categories.

The proposed regulations and final regulations also contain a third category of costs which are includable in or excludable from the computation of inventoriable costs in accordance with the taxpayer's financial reporting treatment for such costs, but only if such treatment is not inconsistent with generally accepted accounting principles.

If a taxpayer's financial accounting method is not comparable to his tax accounting method, the regulations provide only two categories of costs, costs which must be included and costs which may be excluded.

The liberal transition rules provide in the proposed regulations are continued in the final regulations to encourage taxpayers to adopt the full absorption method.

Adoption of Amendments to the Regulations. In view of the foregoing and after consideration of all such relevant matter as was presented by interested persons regarding the notice of proposed rule making dated February 13, 1973, the Income Tax Regulations (26 CFR Part 1) are amended as follows.

PARAGRAPH 1. Paragraph (a) of § 1.61–3 is revised to read as follows:

§ 1.61–3 Gross income derived from business.

(a) *In general.* In a manufacturing, merchandising, or mining business, "gross income" means the total sales, less the cost of goods sold, plus any income from investments and from incidental or outside operations or sources. Gross income is determined without subtraction of depletion allowances based on a percentage of income to the extent that it exceeds cost depletion which may be required to be included in the amount of inventoriable costs as provided in § 1.471–11 and without subtraction of selling expenses, losses or other items not ordinarily used in computing costs of goods sold or amounts which are of a type for which a deduction would be disallowed under section 162 (c), (f), or (g) in the case of a business expense. The cost of goods sold should be determined in accordance with the method of accounting consistently used by the taxpayer.

* * * * *

PAR. 2. Section 1.446–1(c)(1)(ii) is amended to read as follows:

§ 1.446–1 General rule for methods of accounting.

* * * * *

(c) *Permissible methods.* * * *

(1) *In general.* * * *

(ii) *Accrual method.* Generally, under an accrual method, income is to be included for the taxable year when all the events have occurred which fix the right to receive such income and the amount thereof can be determined with reasonable accuracy. Under such a method, deductions are allowable for the taxable year in which all the events have occurred which establish the fact of the liability giving rise to such deduction and the amount thereof can be determined with reasonable accuracy. The method used by the taxpayer in determining when income is to be accounted for will be acceptable if it accords with generally accepted accounting principles, is consistently used by the taxpayer from year to year, and is consistent with the Income Tax Regulations. For example, a taxpayer engaged in a manufacturing business may account for sales of his product when the goods are shipped, when the product is delivered or accepted, or when title to the goods passes to the customer, whether or not billed, depending upon the method regularly employed in keeping his books.

* * * * *

PAR. 3. Section 1.471–2 is amended by revising the cross references in paragraph (b), deleting the last sentence in paragraph (b), and by adding subparagraphs (6) and (7) to paragraph (f), to read as follows:

§ 1.471–2 Valuation of inventories.

* * * * *

(b) It follows, therefore, that inventory rules cannot be uniform but must give effect to trade customs which come within the scope of the best accounting practice in the particular trade or business. In order to clearly reflect income, the inventory practice of a taxpayer should be consistent from year to year, and greater weight is to be given to consistency than to any particular method of inventorying or basis of valuation so long as the method or basis used is in accord with §§ 1.471–1 through 1.471–11.

* * * * *

(f) * * *

(6) Segregating indirect production costs into fixed and variable production cost classifications (as defined in § 1.471–11(b)(3)(ii)) and allocating only the variable costs to the cost of goods produced while treating fixed costs as period costs which are currently deductible. This method is commonly referred to as the "direct cost" method.

(7) Treating all or substantially all indirect production costs (whether classified as fixed or variable) as period costs which are currently deductible. This method is generally referred to as the "prime cost" method.

PAR. 4. Paragraph (c) of § 1.471–3 is amended by adding a cross reference at the end to read as follows:

§ 1.471–3 Inventories at cost.

* * * * *

(c) In the case of merchandise produced by the taxpayer since the beginning of the taxable year, (1) the cost of raw materials and supplies entering into or consumed in connection with the product, (2) expenditures for direct labor, and (3) indirect production costs incident to and necessary for the production of the particular article, including in such indirect production costs an appropriate portion of management expenses, but not including any cost of selling or return on capital, whether by way of interest or profit. See § 1.471–11 for more specific rules regarding the treatment of indirect production costs.

* * * * *

PAR. 5. Section 1.471–11 is added immediately following § 1.471–9 to read as follows:

§ 1.471–11 Inventories of manufacturers.

(a) *Use of full absorption method of inventory costing.*—In order to conform as nearly as may be possible to the best accounting practices and to clearly reflect income (as required by section 471 of the Code), both direct and indirect production costs must be taken into account in the computation of inventoriable costs in accordance with the "full absorption" method of inventory costing. Under the full absorption method of inventory costing production costs must be allocated to goods produced during the taxable year, whether sold during the taxable year or in inventory at the close of the taxable year determined in accordance with the taxpayer's method of identifying goods in inventory. Thus, the taxpayer must include as inventoriable costs all direct production costs and, to the extent provided by paragraphs (c) and (d) of this section, all indirect production costs. For purposes of this section, the term "financial reports" means financial reports (including consolidated financial statements) to shareholders, partners, beneficiaries or other proprietors and for credit purposes.

(b) *Production costs*—(1) *In General.* Costs are considered to be production costs to the extent that they are incident to and necessary for production or manufacturing operations or processes. Production costs include direct production costs and fixed and variable indirect production costs.

(2) *Direct production costs.* (i) Costs classified as "direct production costs" are generally those costs which are incident to and necessary for production or manufacturing operations or processes and are components of the cost of either direct material or direct labor. Direct material costs include the cost of those materials which become an integral part of the specific product and those materials which are consumed in the ordinary course of manufacturing and can be identified or associated with particular units or groups of units of that product. See § 1.471–3 for the elements of direct material costs. Direct labor costs include the cost of labor which can be identified or associated with particular units or groups of units of a specific product. The elements of direct labor costs include such items as basic compensation, overtime pay, vacation and holiday pay, sick leave pay (other than payments pursuant to a wage continuation plan under section 105 (d)), shift differential, payroll taxes and payments to a supplemental unemployment benefit plan paid or incurred on behalf of employees engaged in direct labor. For the treatment of rework labor, scrap, spoilage costs, and any other costs not specifically described as direct production costs see § 1.471–11(c)(2).

(ii) Under the full absorption method, a taxpayer must take into account all items of direct production cost in his inventoriable costs. Nevertheless, a taxpayer will not be treated as using an incorrect method of inventory costing if he treats any direct production costs as indirect production costs, provided such costs are allocated to the taxpayer's ending inventory to the extent provided by paragraph (d) of this section. Thus, for example, a taxpayer may treat direct labor costs as part of indirect production costs (for example, by use of the conversion cost method), provided all such costs are allocated to ending inventory to the extent provided by paragraph (d) of this section.

(3) *Indirect production costs*—(i) *In general.* The term "indirect production costs" includes all costs which are incident to and necessary for production or manufacturing operations or processes other than direct production costs (as defined in subparagraph (2) of this paragraph). Indirect production costs may be classified as to kind or type in accordance with acceptable accounting principles so as to enable convenient identification with various production or manufacturing activities or functions and to facilitate reasonable groupings of such costs for purposes of determining unit product costs.

(ii) *Fixed and variable classifications.* For purposes of this section, fixed indirect production costs are generally those costs which do not vary significantly with changes in the amount of goods produced at any given level of production capacity. These fixed costs may include, among other costs, rent and property taxes on buildings and machinery incident to and necessary for manufacturing operations or processes. On the other hand, variable indirect production costs are generally those costs which do vary significantly with changes in the amount of goods produced at any given level of production capacity. These variable costs may include, among other costs, indirect materials, factory janitorial supplies, and utilities. Where a particular cost contains both fixed and variable elements, these elements should be segregated into fixed and variable classifications to the extent necessary under the taxpayer's method of allocation, such as for the application of the practical capacity concept (as described in paragraph (d)(4) of this section).

(c) *Certain indirect production costs*—(1) *General rule.* Except as provided in subparagraph (3) of this paragraph, in order to determine whether indirect production costs referred to in paragraph (b) of this section must be included in a taxpayer's computation of the amount of inventoriable costs, three categories of costs have been provided in subparagraph (2) of this paragraph. Costs described in subparagraph (2)(i) of this paragraph must be included in the taxpayer's computation of the amount of inventoriable costs, regardless of their treatment by the taxpayer in his financial reports. Costs described in subparagraph (2)(ii) of this paragraph need not enter into the taxpayer's computation of the amount of inventoriable costs, regardless of their treatment by the taxpayer in his financial reports. Costs described in subparagraph (2)(iii) of this paragraph must be included in or excluded from the taxpayer's computation of the amount of inventoriable costs in accordance with the treatment of such costs by the taxpayer in his financial reports and generally accepted accounting principles. For the treatment

of indirect production costs described in subparagraph (2) of this paragraph in the case of a taxpayer who is not using comparable methods of accounting for such costs for tax and financial reporting, see subparagraph (3) of this paragraph. After a taxpayer has determined which costs must be treated as indirect production costs includible in the computation of the amount of inventoriable costs, such costs must be allocated to a taxpayer's ending inventory in a manner prescribed by paragraph (d) of this section.

(2) *Includibility of certain indirect production costs*—(i) *Indirect production costs included in inventoriable costs.* Indirect production costs which must enter into the computation of the amount of inventoriable costs (regardless of their treatment by a taxpayer in his financial reports) include:

(*a*) Repair expenses,
(*b*) Maintenance,
(*c*) Utilities, such as heat, power and light,
(*d*) Rent,
(*e*) Indirect labor and production supervisory wages, including basic compensation, overtime pay, vacation and holiday pay, sick leave pay (other than payments pursuant to a wage continuation plan under section 105(d), shift differential, payroll taxes and contributions to a supplemental unemployment benefit plan,
(*f*) Indirect materials and supplies,
(*g*) Tools and equipment not capitalized, and
(*h*) Costs of quality control and inspection,

to the extent, and only to the extent, such costs are incident to and necessary for production or manufacturing operations or processes.

(ii) *Costs not included in inventoriable costs.* Costs which are not required to be included for tax purposes in the computation of the amount of inventoriable costs (regardless of their treatment by a taxpayer in his financial reports) include:

(*a*) Marketing expenses,
(*b*) Advertising expenses,
(*c*) Selling expenses,
(*d*) Other distribution expenses.
(*e*) Interest,
(*f*) *Research and experimental expenses* including engineering and product development expenses,
(*g*) Losses under section 165 and the regulations thereunder,
(*h*) Percentage depletion in excess of cost depletion,
(*i*) Depreciation and amortization reported for Federal income tax purposes in excess of depreciation reported by the taxpayer in his financial reports,
(*j*) Income taxes attributable to income received on the sale of inventory,
(*k*) Pension contributions to the extent that they represent past services cost,
(*l*) General and administrative expenses incident to and nesessary for the taxpayer's activities as a whole rather than to production or manufacturing operations or processes, and
(*m*) Salaries paid to officers attributable to the performance of services which are incident to and necessary for the taxpayer's activities taken as a whole rather than to production or manufacturing operations or processes.

Notwithstanding the preceding sentence, if a taxpayer consistently includes in his computation of the amount of inventoriable costs any of the costs described in the preceding sentence, a change in such method of inclusion shall be considered a change in method of accounting within the meaning of sections 446, 481, and paragraph (e)(4) of this section.

(iii) *Indirect production costs includible in inventoriable costs depending upon treatment in taxpayer's financial reports.* In the case of costs listed in this subdivision, the inclusion or exclusion of such costs from the amount of inventoriable costs for purposes of a taxpayer's financial reports shall determine whether such costs must be included in or excluded from the computation of inventoriable costs for tax purposes, but only if such treatment is not inconsistent with generally accepted accounting principles. In the case of costs which are not included in subdivision (i) or (ii) of this subparagraph, nor listed in this subdivision, whether such costs must be included in or excluded from the computation of inventoriable costs for tax purposes depends upon the extent to which such costs are similar to costs included in subdivision (i) or (ii), and if such costs are dissimilar to costs in subdivision (i) or (ii), such costs shall be treated as included in or excludable from the amount of inventoriable costs in accordance with this subdivision.

The costs listed in this subdivision are:

(*a*) *Taxes.* Taxes otherwise allowable as a deduction under section 164 (other than State and local and foreign income taxes) attributable to assets incident to and necessary for production or manufacturing operations or processes. Thus, for example, the cost of State and local property taxes imposed on a factory or other production facility and any State and local taxes imposed on inventory must be included in or excluded from the computation of the amount of inventoriable costs for tax purposes depending upon their treatment by a taxpayer in his financial reports.

(*b*) *Depreciation and depletion.* Depreciation reported in financial reports and cost depletion on assets incident to and necessary for production or manufacturing operations or processes. In computing cost depletion under this section, the adjusted basis of such assets shall be reduced by cost depletion and not by percentage depletion taken thereon.

(*c*) *Employee benefits.* Pension and profit-sharing contributions representing current service costs otherwise allowable as a deduction under section 404, and other employee benefits incurred on behalf of labor incident to and necessary for production or manufacturing operations or processes. These other benefits include workmen's compensation expenses, payments under a wage continuation plan described in section 105(d), amounts of a type which would be includible in the gross income of employees under non-qualified pension, profit-sharing and stock bonus plans, premiums on life and health insurance and miscellaneous benefits provided for employees such as safety, medical treatment, cafeteria, recreational facilities, membership dues, etc., which are otherwise allowable as deductions under chapter 1 of the Code.

(*d*) *Costs attributable to strikes, rework labor, scrap and spoilage.* Costs attributable to rework labor, scrap and spoilage which are incident to and necessary for production or manufacturing operations or processes and costs attributable to strikes incident to production or manufacturing operation or processes.

(*e*) *Factory administrative expenses.* Administrative costs of production (but not including any cost of selling or any return on capital) incident to and necessary for production or manufacturing operations or processes.

(*f*) *Officers' salaries.* Salaries paid to officers attributable to services performed incident to and necessary for production or manufacturing operations or processes.

(*g*) *Insurance costs.* Insurance costs incident to and necessary for production or manufacturing operations or processes such as insurance on production machinery and equipment.

A change in the taxpayer's treatment in his financial reports of costs described in this subdivision which results in a change in treatment of such costs for tax purposes shall constitute a change in method of accounting within the meaning of sections 446 and 481 to which paragraph (e) applies.

(3) *Exception.* In the case of a taxpayer whose method of accounting for production costs in his financial reports is not comparable to his method of accounting for such costs for tax purposes (such as a taxpayer using the prime cost method for purposes of financial reports), the following rules apply:

(i) *Indirect production costs included in inventoriable costs.* Indirect production costs which must enter into the computation of the amount of inventoriable costs (to the extent, and only to the extent, such costs are incident to and necessary for production or manufacturing operations or processes) include:

(*a*) Repair expenses,
(*b*) Maintenance,
(*c*) Utilities, such as heat, power and light,
(*d*) Rent,
(*e*) Indirect labor and production supervisory wages, including basic compensation, overtime pay, vacation and holiday pay, sick leave pay (other than payments pursuant to a wage continuation plan under section 105(d)), shift differential, payroll taxes and contribtuions to a supplemental unemployment benefit plan,

(f) Indirect materials and supplies,
(g) Tools and equipment not capitalized,
(h) Costs of quality control and inspection,
(i) Taxes otherwise allowable as a deduction under section 164 (other than State and local and foreign income taxes),
(j) Depreciation and amortization reported for financial purposes and cost depletion,
(k) Administrative costs of production (but not including any cost of selling or any return on capital) incident to and necessary for production or manufacturing operations or processes,
(l) Salaries paid to officers attributable to services performed incident to and necessary for production or manufacturing operations or processes, and
(m) Insurance costs incident to and necessary for production or manufacturing operations or processes such as insurance on production machinery and equipment.

(ii) *Costs not included in inventoriable costs.* Costs which are not required to be included in the computation of the amount of inventoriable costs include:
(a) Marketing expenses,
(b) Advertising expenses,
(c) Selling expenses,
(d) Other distribution expenses,
(e) Interest,
(f) Research and experimental expenses including engineering and product development expenses,
(g) Losses under section 165 and the regulations thereunder,
(h) Percentage depletion in excess of cost depletion,
(i) Depreciation reported for Federal income tax purposes in excess of depreciation reported by the taxpayer in his financial reports,
(j) Income taxes attributable to income received on the sale of inventory,
(k) Pension and profit-sharing contributions representing either past service costs or representing current service costs otherwise allowable as a deduction under section 404, and other employee benefits incurred on behalf of labor. These other benefits include workmen's compensation expenses, payments under a wage continuation plan described in section 105(d), amounts of a type which would be includible in the gross income of employees under nonqualified pension, profit-sharing and stock bonus plans, premiums on life and health insurance and miscellaneous benefits provided for employees such as safety, medical treatment, cafeteria, recreational facilities, membership dues, etc., which are otherwise allowable as deductions under chapter 1 of the Code,
(l) Cost attributable to strikes, rework labor, scrap and spoilage,
(m) General and administrative expenses incident to and necessary for the taxpayer's activities as a whole rather than to production or manufacturing operations or processes, and
(n) Salaries paid to officers attributable to the performance of services which are incident to and necessary for the taxpayer's activities as a whole rather than to production or manufacturing operations or processes.

(d) *Allocation methods*—(1) *In general.* Indirect production costs required to be included in the computation of the amount of inventoriable costs pursuant to paragraphs (b) and (c) of this paragraph must be allocated to goods in a taxpayer's ending inventory (determined in accordance with the taxpayer's method of identification) by the use of a method of allocation which fairly apportions such costs among the various items produced. Acceptable methods for allocating indirect production costs to the cost of goods in the ending inventory include the manufacturing burden rate method and the standard cost method. In addition, the practical capacity concept can be used in conjunction with either the manufacturing burden rate or standard cost method.

(2) *Manufacturing burden rate method*—(i) *In general.* Manufacturing burden rates may be developed in accordance with acceptable accounting principles and applied in a reasonable manner. In developing a manufacturing burden rate, the factors described in paragraph (d)(2)(ii) of this section may be taken into account. Furthermore, if the taxpayer chooses, he may allocate different indirect production costs on the basis of different manufacturing burden rates. Thus, for example, the taxpayer may use one burden rate for allocating rent and another burden rate for allocating utilities. The method used by the taxpayer in allocating such costs in his financial reports shall be given great weight in determining whether the taxpayer's method employed for tax purposes fairly allocates indirect production costs to the ending inventory. Any change in a manufacturing burden rate which is merely a periodic adjustment to reflect current operating conditions, such as increases in automation or other changes in operation, does not constitute a change in method of accounting under section 446. However, a change in the concept upon which such rates are developed does constitute a change in method of accounting requiring the consent of the Commissioner. The taxpayer shall maintain adequate records and working papers to support all manufacturing burden rate calculations.

(ii) *Development of manufacturing burden rate.* The following factors, among others, may be taken into account in developing manufacturing burden rates:

(a) The selection of an appropriate level of activity and period of time upon which to base the calculation of rates which will reflect operating conditions for purposes of the unit costs being determined;

(b) The selection of an appropriate statistical base such as direct labor hours, direct labor dollars, or machine hours, or a combination thereof, upon which to apply the overhead rate to determine production costs; and

(c) The appropriate budgeting, classification and analysis of expenses (for example, the analysis of fixed and variable costs).

(iii) *Operation of the manufacturing burden rate method.* (a) The purpose of the manufacturing burden rate method used in conjunction with the full absorption method of inventory costing is to allocate an appropriate amount of indirect production costs to a taxpayer's goods in ending inventory by the use of predetermined rates intended to approximate the actual amount of indirect production costs incurred. Accordingly, the proper use of the manufacturing burden rate method under this section requires that any net negative or net positive difference between the total predetermined amount of indirect production costs allocated to the goods in ending inventory and the total amount of indirect production costs actually incurred and required to be allocated to such goods (i.e., the under or over-applied burden) must be treated as an adjustment to the taxpayer's ending inventory in the taxable year in which such difference arises. However, if such adjustment is not significant in amount in relation to the taxpayer's total actual indirect production costs for the year then such adjustment need not be allocated to the taxpayer's goods in ending inventory unless such allocation is made in the taxpayer's financial reports. The taxpayer must treat both positive and negative adjustments consistently.

(b) Notwithstanding subdivision (a), the practical capacity concept may be used to determine the total amount of fixed indirect production costs which must be allocated to goods in ending inventory. See subparagraph (4) of this paragraph.

(3) *Standard cost method*—(i) *In general.* A taxpayer may use the so-called "standard cost" method of allocating inventoriable costs to the goods in ending inventory, provided he treats variances in accordance with the procedures prescribed in paragraph (d)(3)(ii) of this section. The method used by the taxpayer in allocating such costs in his financial reports shall be given great weight in determining whether the taxpayer's method employed for tax purposes fairly allocates indirect production costs to the ending inventory. For purposes of this subparagraph, a "net positive overhead variance" shall mean the excess of total standard (or estimated) indirect production costs over total actual indirect production costs and a "net negative overhead variance" shall mean the excess of total actual indirect production costs over total standard (or estimated) indirect production costs.

(ii) *Treatment of variances.* (a) The proper use of the standard cost method pursuant to this subparagraph requires that a taxpayer must reallocate to the goods in ending inventory a pro rata portion of any net negative or net positive overhead variances and any net negative or net positive direct production cost variances. The taxpayer must

apportion such variances among his various items in ending inventory. However, if such variances are not significant in amount in relation to the taxpayer's total actual indirect production costs for the year then such variances need not be allocated to the taxpayer's goods in ending inventory unless such allocation is made in the taxpayer's financial reports. The taxpayer must treat both positive and negative variances consistently.

(b) Notwithstanding subdivision (a), the practical capacity concept may be used to determine the total amount of fixed indirect production costs which must be allocated to goods in ending inventory. See subparagraph (4) of this paragraph.

(4) *Practical capacity concept*—(i) *In general.* Under the practical capacity concept, the percentage of practical capacity represented by actual production (not greater than 100 percent), as calculated under subdivision (ii) of this subparagraph, is used to determine the total amount of fixed indirect production costs which must be included in the taxpayer's computation of the amount of inventoriable costs. The portion of such costs to be included in the taxpayer's computation of the amount of inventoriable costs is then combined with variable indirect production costs and both are allocated to the goods in ending inventory in accordance with this paragraph. See the example in subdivision (ii)(*d*) of this subparagraph. The difference (if any) between the amount of all fixed indirect production costs and the fixed indirect production costs which are included in the computation of the amount of inventoriable costs under the practical capacity concept is allowable as a deduction for the taxable year in which such difference occurs.

(ii) *Calculation of practical capacity*—(*a*) *In general.* Practical capacity and theoretical capacity (as described in (*c*) of this subdivision) may be computed in terms of tons, pounds, yards, labor hours, machine hours, or any other unit of production appropriate to the cost accounting system used by a particular taxpayer. The determination of practical capacity and theoretical capacity should be modified from time to time to reflect a change in underlying facts and conditions such as increased output due to automation or other changes in plant operation. Such a change does not constitute a change in method of accounting under sections 446 and 481.

(*b*) *Based upon taxpayer's experience.* In selecting an appropriate level of production activity upon which to base the calculation of practical capacity, the taxpayer shall establish the production operating conditions expected during the period for which the costs are being determined, assuming that the utilization of production facilities during operations will be approximately at capacity. This level of production activity is frequently described as practical capacity for the period and is ordinarily based upon the historical experience of the taxpayer. For example, a taxpayer operating on a 5-day, 8-hour basis may have a "normal" production of 100,000 units a year based upon three years of experience.

(*c*) *Based upon theoretical capacity.* Practical capacity may also be established by the use of "theoretical" capacity, adjusted for allowances for estimated inability to achieve maximum production, such as machine breakdown, idle time, and other normal work stoppages. Theoretical capacity is the level of production the manufacturer could reach if all machines and departments were operated continously at peak efficiency.

(*d*) *Example.* The provisions of (c) of this subdivision may be illustrated by the following example:

Corporation X operates a stamping plant with a theoretical capacity of 50 units per hour. The plant actually operates 1960 hours per year based on an 8-hour day, 5 day week basis and 15 shutdown days for vacations and holidays. A reasonable allowance for down time (the time allowed for ordinary and necessary repairs and maintenance) is 5 percent of practical capacity before reduction for down time. Assuming no loss of production during starting up, closing down, or employee work breaks, under these facts and circumstances X may properly make a practical capacity computation as follows:

Practical capacity without allowance for down time based on theoretical capacity per hour is (1960 × 50)	98,000
Reduction for down time (98,000 × 5 percent)	4,900
Practical capacity	93,100

The 93,100 unit level of activity (*i.e.*, practical capacity) would, therefore, constitute an appropriate base for calculating the amount of fixed indirect production costs to be included in the computation of the amount of inventoriable costs for the period under review. On this basis if only 76,000 units were produced for the period, the effect would be that approximately 81.6 percent (76,000, the actual number of units produced, divided by 93,100, the maximum number of units producible at practical capacity) of the fixed indirect production costs would be included in the computation of the amount of inventoriable costs during the year. The portion of the fixed indirect production costs not so included in the computation of the amount of inventoriable costs would be deductible in the year in which paid or incurred. Assume further that 7,600 units were on hand at the end of the taxable year and the 7,600 units were in the same proportion to the total units produced. Thus, 10 percent (7,600 units in inventory at the end of the taxable year, divided by 76,000, the actual number of units produced) of the fixed indirect production costs included in the computation of the amount of inventoriable costs (the above-mentioned 81.6 percent) and 10 percent of the variable indirect production costs would be included in the cost of the goods in the ending inventory, in accordance with a method of allocation provided by this paragraph.

(e) *Transition to full absorption method of inventory costing*—(1) *In general*—(i) *Mandatory requirement.* A taxpayer not using the full absorption method of inventory costing, as prescribed by paragraph (a) of this section, must change to that method. Any change to the full absorption method must be made by the taxpayer with respect to all trades or businesses of the taxpayer to which this section applies. A taxpayer not using the full absorption method of inventory costing, as prescribed by paragraph (a) of this section, who makes the special election provided in subdivision (ii) of this subparagraph during the transition period described in subdivision (ii) of this subparagraph need not change to the full absorption method of inventory costing for taxable years prior to the year for which such election is made. In determining whether the taxpayer is changing to a more or less inclusive method of inventory costing, all positive and negative adjustments for all items and all trades or businesses of the taxpayer shall be aggregated. If the net adjustment is positive, paragraph (e)(3) shall apply, and if the net adjustment is negative, paragraph (e)(4) shall apply to the change. The rules otherwise prescribed in sections 446 and 481 and the regulations thereunder shall apply to any taxpayer who fails to make the special election in subdivision (ii) of this subparagraph. The transition rules of this paragraph are available only to those taxpayers who change their method of inventory costing.

(ii) *Special election during two-year transition period.* If a taxpayer elects to change to the full absorption method of inventory costing during the transition period provided herein, he may elect on Form 3115 to change to such full absorption method of inventory costing and, in so doing, employ the transition procedures and adopt any of the transition methods prescribed in subparagraph (3) of this paragraph. Such election shall be made during the first 180 days of any taxable year beginning on or after September 19, 1973 and before September 19, 1975 (i.e., the "transition period") and the change in inventory costing method shall be made for the taxable year in which the election is made. Notwithstanding the preceding sentence if the taxpayer's prior returns have been examined by the Service prior to [the date of adoption of these regulations as a Treasury decision], and there is a pending issue involving the taxpayer's method of inventory costing, the taxpayer may request the application of this regulation by agreeing and filing a letter to that effect with the district director, within 90 days after September 19, 1973 to change to the full absorption method for the first taxable year of the taxpayer beginning after [the date of adoption of the regulations as a Treasury decision] and subsequently filing Form 3115 within the first 180 days of such taxable year of change.

(iii) *Change initiated by the Commissioner.* A taxpayer who properly makes an election under subdivision (ii) of this subparagraph shall be considered to have made a change in method of accounting not initiated by the taxpayer, notwithstanding the provisions of

§ 1.481–1(c)(5). Thus, any of the taxpayer's "pre-1954 inventory balances" with respect to such inventory shall not be taken into account as an adjustment under section 481. For purposes of this paragraph, a "pre-1954 inventory balance" is the net amount of the adjustments which would have been required if the taxpayer had made such change in his method of accounting with respect to his inventory in his first taxable year which began after December 31, 1953, and ended after August 16, 1954. See section 481(a)(2) and § 1.481–3.

(2) *Procedural rules for change.* If a taxpayer makes an election pursuant to subparagraph (1)(ii) of this paragraph, the Commissioner's consent will be evidenced by a letter of consent to the taxpayer, setting forth the values of inventory, as provided by the taxpayer, determined under the full absorption method of inventory costing, except to the extent that no determination of such values is necessary under subparagraph (3)(ii)(B) of this paragraph (the cut off method), the amount of the adjustments (if any) required to be taken into account by section 481, and the treatment to be accorded to any such adjustments. Such full absorption values shall be subject to verification on examination by the district director. The taxpayer shall preserve at his principal place of business all records, data, and other evidence relating to the full absorption values of inventory.

(3) *Transition methods.* In the case of a taxpayer who properly makes an election under subparagraph (1)(ii) of this paragraph during the transition period—

(i) *10-year adjustment period.* Such taxpayer may elect to take any adjustment required by section 481 with respect to any inventory being revalued under the full absorption method into account ratably over a period designated by the taxpayer at the time of such election, not to exceed the lesser of 10 taxable years commencing with the year of transition or the number of years the taxpayer has been on the inventory method from which he is changing. If the taxpayer dies or ceases to exist in a transaction other than one to which section 381(a) of the Code applies or if the taxpayer's inventory (determined under the full absorption method) on the last day of any taxable year is reduced (by other than a strike or involuntary conversion) by more than an amount equal to 33⅓ percent of the taxpayer's inventory (determined under the full absorption method) as of the beginning of the year of change, the entire amount of the section 481 adjustment not previously taken into account in computing income shall be taken into account in computing income for the taxable year in which such taxpayer so ceases to exist or such taxpayer's inventory is so reduced.

(ii) *Additional rules for LIFO taxpayers.* A taxpayer who uses the LIFO method of inventory identification may either—

(*a*) Employ the special transition rules described in subdivision (i) of this subparagraph. Accordingly, all LIFO layers must be revalued under the full absorption method and the section 481 adjustment must be computed for all items in all layers in inventory, but no pre-1954 inventory balances shall be taken into account as adjustments under section 481; or

(*b*) (*1*) Employ a cut-off method whereby the full absorption method is only applied in costing layers of inventory acquired during all taxable years beginning with the year for which an election is made under subparagraph (e)(1)(ii).

(*2*) In the case of a taxpayer using dollar value LIFO, employ a cut-off method whereby the taxpayer must use, for the year of change, the full absorption method in computing the base year cost and current cost of a dollar value inventory pool for the beginning of such year. The taxpayer shall not be required to recompute his LIFO inventories based on the full absorption method for a taxable year beginning prior to the year of change to the full absorption method. The base cost and layers of increment previously computed shall be retained and treated as if such base cost and layers of increment had been computed under the method authorized by this section. The taxpayer shall use the year of change as the base year in applying the double extension method or other method approved by the Commissioner, instead of the earliest year for which he adopted the LIFO method for any items in the pool.

(4) *Transition to full absorption method of inventory costing from a method more inclusive of indirect production costs*—(i) *Taxpayer has not previously changed to his present method pursuant to subparagraphs (1), (2), and (3) of this paragraph.* If a taxpayer wishes to change to the full absorption method of inventory costing (as prescribed by paragraph (a) of this section) from a method of inventory costing which is more inclusive of indirect production costs and he has not previously changed to his present method by use of the special transition rules provided by subparagraphs (1), (2) and (3) of this paragraph, he may elect on Form 3115 to change to the full absorption method of inventory costing and, in so doing, take into account any resulting section 481 adjustment generally over 10 taxable years commencing with the year of transition. The Commissioner's consent to such election will be evidenced by a letter of consent to the taxpayer setting forth the values of inventory, as provided by the taxpayer determined under the full absorption method of inventory costing, except to the extent that no determination of such values is necessary under subparagraph (3)(ii)(*b*) of this paragraph, the amount of the adjustments (if any) required to be taken into account by section 481, and the treatment to be accorded such adjustments, subject to terms and conditions specified by the Commissioner to prevent distortions of income. Such election must be made within the transition period described in subparagraph (1)(ii) of this paragraph. A change pursuant to this subparagraph shall be a change initiated by the taxpayer as provided by § 1.481–1(c)(5). Thus, any of the taxpayers "pre-1954 inventory balances" will be taken into account as an adjustment under section 481.

(ii) *Taxpayer has previously changed to his present method pursuant to subparagraphs (1), (2), and (3) of this paragraph or would satisfy all the requirements of subdivision (i) of this subparagraph but fails to elect within the transition period.* If a taxpayer wishes to change to the full absorption method of inventory costing (as prescribed by paragraph (a) of this section) from a method of inventory costing which is more inclusive of indirect production costs and he has previously changed to his present method pursuant to subparagraphs (1), (2), and (3) of this paragraph or he would satisfy the requirements of subdivision (i) of this subparagraph but he fails to elect within the transition period, he must secure the consent of the Commissioner prior to making such change.

(Sec. 7805 of the Internal Revenue Code of 1954, 68A Stat. 917 (26 U.S.C. 7805).)

[SEAL] DONALD C. ALEXANDER,
Commissioner of Internal Revenue.

Approved September 13, 1973.

FREDERIC W. HICKMAN,
Assistant Secretary of the Treasury.

[FR Doc.73–19930 Filed 9–14–73;4:26 pm]

Title 31—Money and Finance: Treasury

CHAPTER II—FISCAL SERVICE, DEPARTMENT OF THE TREASURY

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 315—REGULATIONS GOVERNING UNITED STATES BONDS

Extended Maturity Period; Correction

The definition of extended maturity period, appearing in § 315.2(e), 31 CFR Part 315, FEDERAL REGISTER, Volume 38, No. 174, Part II, page 24761, dated September 10, 1973, should be corrected to read:

§ 315.2 Definition of words and terms as used in these regulations.

* * * * *

(e) "Extended maturity period" [1] means any period after the original maturity date during which the owner may retain the bonds and continue to earn interest on the maturity value or extended maturity value under applicable extended maturity provisions of the circular offering such bonds for sale.

* * * * *

THOMAS J. WINSTON,
Chief Counsel, Bureau of the Public Debt.

[FR Doc.73–19871 Filed 9–18–73;8:45 am]

Title 32—National Defense

CHAPTER VII—DEPARTMENT OF THE AIR FORCE

SUBCHAPTER A—ADMINISTRATION

PART 802—AUTHORITY OF ARMED FORCES PERSONNEL TO PERFORM NOTARIAL ACTS

PART 806—DISCLOSURE OF AIR FORCE RECORDS

Miscellaneous Amendments

Part 802 is being deleted because it is not required to be published by law, presidential directive or regulation. It consists largely of a summary of laws.

Subchapter A of Chapter VII of Title 32 of the Code of Federal Regulations is amended as follows:

1. Part 802 is herewith deleted in its entirety.

2. Part 806 is amended by correcting the office symbols in § 806.15: in the main text "(AF/JAJ)" and in the table "(AF/JAG)", both to read "(AF/JAJM)."

By order of the Secretary of the Air Force.

JOHN W. FAHRNEY,
Colonel, USAF, Chief, Legislative Division, Office of The Judge Advocate General.

[FR Doc.73-19853 Filed 9-18-73;8:45 am]

Title 38—Pensions, Bonuses, and Veterans' Relief

CHAPTER I—VETERANS ADMINISTRATION

PART 17—MEDICAL

Grants and Assistance for Medical and Allied Health Education

On page 16917 of the FEDERAL REGISTER of June 27, 1973, there was published a notice of proposed regulatory development to implement the Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972 (86 Stat. 1100), which provides for assistance in establishment of new State medical schools, and for grants and other assistance to existing medical schools and other health manpower training institutions which are affiliated with Veterans Administration hospitals. Interested persons were given 30 days in which to submit comments, suggestions, or objections regarding the proposed regulations.

As a result of the notice of proposed regulatory development, sixteen written communications were received. There were none which objected to the provisions of the regulations generally, but raised questions of interpretation and offered comments on specific items. Changes which have been made in response to these communications are in § 17.402(f) which broadens the definition of "colleges and universities", eligible applicants for purposes of 38 U.S.C. 5071–5074, to include state university systems which may or may not include four-year undergraduate colleges; in § 17.404, requiring coordination of applications with all health planning agencies in the state; and in § 17.410, limiting the payment of indirect costs to programs authorized in 38 U.S.C. Chapter 82, Subchapters II and III. The majority of the questions and comments related to issues beyond the scope of the regulations, others related to the program guidelines which appeared on page 16937 of the "Notices" section of the same issue of the FEDERAL REGISTER.

The program guidelines will be rewritten to reflect the changed regulations, and to be otherwise clarified and expanded. They will be published separately and will be available, along with application materials, to eligible applicants from the Department of Medicine and Surgery (152J), Veterans Administration, 810 Vermont Avenue, NW., Washington, D.C. 20420.

Effective date.—The regulations set forth below shall become effective September 19, 1973.

Approved September 14, 1973.

DONALD E. JOHNSON,
Administrator.

Sections 17.400 through 17.416 are added to read as follows:

GRANTS AND ASSISTANCE FOR DEVELOPMENT, EXPANSION AND IMPROVEMENT OF MEDICAL AND ALLIED HEALTH EDUCATION

Sec.

17.400 Purpose and scope of the program.
17.401 Administration.
17.402 Definitions.
17.403 Eligibility.
17.404 Application.
17.405 Agreements and grant awards.
17.406 Payments.
17.407 Expenditure of grant funds.
17.408 Nondiscrimination.
17.409 Publications and copyright.
17.410 Accountability.
17.411 Records, reports, and audit.
17.412 Additional conditions.
17.413 Early termination and withholding of payments.
17.415 Right to hearing.
17.414 Recapture provision.
17.416 Expansion of hospital education and training capacity.

GRANTS AND ASSISTANCE FOR DEVELOPMENT, EXPANSION AND IMPROVEMENT OF MEDICAL AND ALLIED HEALTH EDUCATION

§ 17.400 Purpose and scope of the program.

The provisions of §§ 17.400 through 17.416 are applicable to a program of grants and other forms of assistance under the "Veterans' Administration Medical School Assistance and Health Manpower Training Act of 1972" (38 U.S.C. Chapter 82). This Act authorizes the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new State medical schools and the improvement of existing medical schools affiliated with the Veterans Administration; to develop cooperative arrangements between institutions of higher education, hospitals, and other nonprofit health service institutions affiliated with the Veterans Administration to coordinate, improve, and expend the training of professional and allied health and paramedical personnel; to develop and evaluate new health careers, interdisciplinary approaches and career advancement opportunities; to improve and expand allied and other health manpower utilization; and for other purposes.

§ 17.401 Administration.

Programs of grants and other forms of assistance which are established under the provisions of 38 U.S.C. Chapter 82 will be administered in accordance with §§ 17.400 through 17.416 and with program guides which will be issued and updated periodically by the Administrator.

§ 17.402 Definitions.

For the purpose of §§ 17.400 through 17.416 the term:

(a) The "Administrator" means the Administrator of Veterans Affairs.

(b) The "Special Medical Advisory Group" means the group of representatives of medical, dental and allied professions, appointed and functioning under 38 U.S.C. 4112(a).

(c) "Program period" means the time (not exceeding 7 years) for which the grant assistance has been approved as specified in the agreement or grant document.

(d) An "award period" means the interval of time into which an approved activity is divided for budgetary purposes, as specified in the agreement or grant document.

(e) "Extension, expansion, alteration, remodeling, improvement, or repair" as used in 38 U.S.C. 5073 and 5096 relate to existing buildings and structures. None of these is synonymous with "construction" as used in 38 U.S.C. 5083(a) which relates to the construction of new free-standing structures. Both provisions are limited to facilities and property under the control and jurisdiction of the Administrator.

(f) For the purposes of 38 U.S.C. 5071–5074: (1) "Colleges" means nonprofit institutions of higher learning, which are primarily supported by the State, and are authorized to offer, and are offering, a formal program of college level studies leading to the baccalaureate degree and are accredited or approved by an accrediting body or bodies recognized for such purposes by the Commissioner of Education of the Department of Health, Education, and Welfare.

(2) "Universities" means educational institutions, which are primarily supported by the State; which are comprised of one or more undergraduate colleges or professional schools, each appropriately accredited or approved by an accrediting body or bodies recognized for such purposes by the Commissioner of Education of the Department of Health, Education, and Welfare; and which are authorized to confer degrees.

(3) "Medical school" means a nonprofit school of medicine or osteopathy which provides a complete course of study which culminates in a degree of doctor of medicine or doctor of osteopathy; and with regard to which there

has been a finding made of reasonable assurance that such a school can proceed to full accreditation as determined by the body or bodies recognized for such purposes by the Commissioner of Education of the Department of Health, Education, and Welfare.

(4) "Faculty" means those individuals who have as their principal duties the instruction of students in the new medical school or the administration of the academic program of such a school.

(g) For the purposes of 38 U.S.C. 5081–5083: (1) "Medical school" means a nonprofit school of medicine or osteopathy which provides a course of study of not less than 2 years, which forms a part or whole of the necessary requirements leading to a degree of doctor of medicine or doctor or osteopathy, and which has been reviewed and accredited for its stage of development by an appropriate accediting agency recognized for such purpose by the Commissioner of Education of the Department of Health, Education, and Welfare.

(2) "Full-time student" means a student who is enrolled or is expected to be enrolled in a medical school on a full-time basis as determined by the medical school and is pursuing a course of study leading to the degree of doctor of medicine or doctor of osteopathy.

(h) For the purposes of 38 U.S.C. 5091–5093, an "eligible institution" means any nonprofit educational facility or other public or nonprofit institution, including universities, colleges, junior colleges, community colleges, schools of allied health professions, State and local systems of education, hospitals, and other nonprofit health manpower institutions for the training or education of allied health or other health personnel affiliated with the Veterans Administration for the conduct of or the providing of guidance for education and training programs for health manpower.

§ 17.403 Eligibility.

(a) To be eligible to receive assistance under 38 U.S.C. 5071–5074, the applicant must:

(1) Be a college or university as defined in § 17.402(f)(1) and (2);

(2) Be located within a reasonable distance of an existing Veterans Administration medical facility; and

(3) Furnish the Administrator with such evidence as he may require that the college or university has prepared and presented a plan for the proposed new school of medicine or osteopathy; and that in a letter dated not earlier than October 24, 1972, has received reasonable assurance of accreditation of the new school as defined in § 17.402(f)(3).

(b) To be eligible to receive assistance under 38 U.S.C. 5081–5083, the applicant must:

(1) Be a medical school as defined in § 17.402(g)(1); and

(2) Have been affiliated with the Veterans Administration under an agreement entered into pursuant to 38 U.S.C. 5051 for at least 12 months prior to the date of the application for a grant under this subchapter II.

(c) To be eligible to receive assistance under 38 U.S.C. 5091–5093, the applicant must:

(1) Be an "eligible institution" as defined in § 17.402(h); and

(2) Be affiliated with the Veterans Administration under an agreement entered into pursuant to 38 U.S.C. 5051, at the time of the award of a grant under this subchapter III.

§ 17.404 Application.

(a) Each eligible applicant desiring assistance shall submit an application in such form and at such time as the Administrator shall prescribe.

(b) Such application shall be executed by an individual authorized to act for the applicant and to assume on behalf of the applicant the obligations imposed by the terms and conditions of any agreement or award of funds.

(c) Such application shall state the purpose for which the application is made and shall contain a budget and a narrative plan by means of which the applicant intends to conduct the project or program and carry out the requirements of §§ 17.400 through 17.416.

(d) Such application shall include a statement from the appropriate state comprehensive health planning agency indicating the compatibility and relationship of the proposed program or projects to the overall health care and training plans of the state, region, or locality, as required in the Office of Management and Budget Circular No. A–95.

(e) For purposes of 38 U.S.C. 5071–5074: (1) Such application shall be executed by an individual authorized to act for the applicant and to assume in behalf of the applicant, the obligations imposed by the terms and conditions of any award of funds or of any formally executed agreement, including §§ 17.400 through 17.416. When the applicant is a school or college which is not controlled by the State, the application must be countersigned by an official similarly authorized by the State agency responsible for administering the State's contribution to its support.

(2) In addition to the information required in paragraph (c) of this section, such application shall include any proposed agreement for lease of land, buildings and structures under the control of the Administrator.

(3) Such application shall be accompanied by a statement assuring that adequate financial support for the new medical school will be provided by the State or by other sources. This statement must be executed by an appropriate official of the State in which the new school is to be located.

§ 17.405 Agreements and grant awards.

(a) For the purposes of 38 U.S.C. 5071–5074: (1) Within the limits of funds available each year for such purposes, the Administrator, upon recommendation of the Chief Medical Director and after consultation with the Special Medical Advisory Group, may enter into, or continue with, agreements to provide assistance to a total of not more than eight applicants whose proposals in his judgment best achieve the purposes of 38 U.S.C. 5071, taking into consideration:

(i) The relative merit of the applicant's overall plan for the establishment of the medical school;

(ii) The suitability of the Veterans Administration medical facility for development as medical school facilities; and the terms of any lease agreement;

(iii) The other facilities and resources available to the applicant to assure the sound establishment and continuing maintenance of the programs of the new medical school;

(iv) The arrangements to be maintained by the school with the Veterans Administration medical facility with which it is to be associated, and the extent to which they will be mutually beneficial to the mission of both; and

(v) The extent of the commitment of the State in which the new school is to be located to the provision of adequate financial support in the establishment of the school and in its continuing operation beyond the end of the program period.

(vi) The presence of existing or developing schools of medicine or osteopathy in the region to be served by the applicant.

(2) The terms of any agreement and the amount of any funds to be granted shall be determined by the Administrator on the basis of:

(i) The considerations and understandings involved in the lease;

(ii) His estimate of the sums necessary to accomplish the adequate extension, alteration, remodeling, improvement, or repair of the building or structures to be leased; and to adequately equip such buildings or structures for the purposes proposed; and

(iii) His estimate of the amounts necessary to assist in the payment of the cost of the salaries of faculty, the proportion will not exceed 90 percent of the salaries for the first year of operation, and a like percentage for the second and third years; 80 percent for the fourth year; 70 percent for the fifth year; 60 percent for the sixth year; and 50 percent for the seventh year.

(3) No recipient should anticipate receiving assistance in any one award year totaling more than one-eighth of the funds available for awards pursuant to 38 U.S.C. 5072 for that year.

(b) For the purposes of 38 U.S.C. 5081–5083: (1) Within the limits of funds available for such purposes, the Administrator, upon recommendation of the Chief Medical Director, after consultation with the Special Medical Advisory Group, may award grants and other assistance to those applicants whose projects or programs will in his judgment best promote the purposes of 38 U.S.C. 5081, taking into consideration:

(i) The relative merit of the project or program proposed by the applicant;

(ii) The other resources available to the applicant to supplement and complement the proposed program or project;

(iii) The capability of the applicant to carry out the proposed program or project, including the accomplishment of the

increased enrollment of full-time students without threat to its accreditation as required in § 17.402(g)(1);

(iv) The extent to which the plan for program or project has been coordinated with Veterans Administration facility(s) with which the applicant is affiliated for purposes of the program or project.

(2) The amount of any award shall be determined by the Administrator on the basis of his estimate of the sum necessary for the cost of the applicant's approved program or project.

(c) For the purpose of 38 U.S.C. 5091–5093: (1) Within the limits of funds available for such purpose, the Administrator, upon recommendation of the Chief Medical Director, after consultation with the Special Medical Advisory Group, may award grants to those applicants whose projects or programs will in his judgment best promote the purposes of 38 U.S.C. 5091, taking into consideration:

(i) The relative merit of the program or project proposed by the applicant;

(ii) The other resources available to the applicant to supplement and complement the proposed program or project;

(iii) The capability of the applicant to carry out the proposed program or project, including the increase in enrollment of students, under circumstances which will not compromise the quality of education at the institution nor jeopardize the accreditation of the training program by the appropriate body or bodies recognized for such purposes by the Commissioner of Education of the Department of Health, Education, and Welfare.

(iv) The extent to which the plan for the program or project has been coordinated with Veterans Administration facility(s) with which the applicant is or proposes to become affiliated for purposes of the program or project.

(2) The amount of any award shall be determined by the Administrator on the basis of his estimate of the sum necessary for the cost of the applicant's approved program or project.

(d) For the purposes of any grant program of 38 U.S.C. Chapter 82: (1) All grant awards shall be in writing, shall set forth the total amount of assistance awarded and the total period for which it will be available for obligation by the grantee (not to exceed 7 years).

(2) Neither the approval of any project nor the award of any grant shall commit or obligate the United States in any way to make any additional supplemental, continuation, or other award with respect to the approved project or to a portion thereof. For continuation support, grantees must make a separate application annually including an annual budget and report of balances remaining from previous award periods and at such time and in such form as the Administrator may require.

(3) The adequacy of a plan for assuring priority for admission of qualified veterans in all of the health manpower education and training programs, as provided in 38 U.S.C. 5070(e) shall be considered.

§ 17.406 Payments.

Payments made pursuant to grant awards may be made in installments, and either in advance or by way or reimbursement, with necessary adjustments on account of overpayments or underpayments as the Administrator may determine.

§ 17.407 Expenditure of grant funds.

(a) For the purposes of 38 U.S.C. 5071–5074, any funds awarded shall be expended solely for the costs of assistance in the establishment of new State medical schools in accordance with the applicable provision of 38 U.S.C., Chapter 82, §§ 17.400 through 17.416, and then the terms and conditions of the grant award.

(b) For the purposes of 38 U.S.C. 5081–5083, any funds granted shall be expended solely for the expansion and improvement of the training capacitiles of medical schools affiliated with the Veterans Administration and to permit such schools to cooperate with other public and nonprofit institutions of higher learning, hospitals and other health manpower institutions affiliated with the Veterans Administration to increase the production of professional and other health personnel in accordance with the applicable provisions of 38 U.S.C. Chapter 82, §§ 17.400 through 17.416, and the terms and conditions of the grant award.

(c) For the purposes of 38 U.S.C. 5091–5093, any funds granted shall be expended solely for the costs of assistance in the establishment of cooperative arrangements among universities, colleges, junior colleges, community colleges, schools of allied health professions, State and local systems of education, hospitals, and other nonprofit health manpower institutions affiliated with the Veterans Administration for educational and clinical projects and programs involving allied and other health manpower in accordance with applicable provisions of 38 U.S.C. Chapter 82, §§ 17.400 through 17.416, and the terms and conditions of the grant award.

(d) For the purposes of the entire chapter, 38 U.S.C., Chapter 82, any unobligated funds remaining in a grant account at the close of the award period may be carried forward and will be available during a subsequent award period within the approved program period. The amount of any subsequent award will take into consideration any unobligated balance in the grant account. At the end of the last award period of the approved program period, any unobligated funds remaining must be refunded to the Federal Government.

§ 17.408 Nondiscrimination.

(a) Grants made under 33 U.S.C. Chapter 82 shall be subject to Title IX of the "Education Amendments Act of 1972" (effective July 1, 1972) and regulations promulgated by the Department of Health, Education, and Welfare. Such title prohibits sex discrimination in all federally assisted education programs.

(b) Grants made under Public Law 92–541 (86 Stat. 1100) shall be subject to Title VI of the Civil Rights Act of 1964 (78 Stat. 252) which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance. Regulations implementing such Title VI have been issued as §§ 18.1 through 18.4 of this chapter.

(c) Grant funds used for remodeling, alteration, or repairs shall be subject to the condition that the grantee shall comply with the requirements of Executive Order 11246, 30 FR 12319 (September 24, 1965), as amended, and with the applicable rules, regulations, and procedures pursuant thereto.

§ 17.409 Publications and copyright.

Except as may otherwise be provided under the terms and conditions of the award, the grantee may copyright without prior approval any publications, films, or similar materials developed or resulting from a project supported by a grant under §§ 17.400 through 17.416, subject, however, to a royalty free, nonexclusive, and irrevocable license or right in the Government to reproduce, translate, publish, use, disseminate, and dispose of such materials and to authorize others to do so.

§ 17.410 Accountability.

The recipient shall allocate expenditures from the grant award between direct and indirect costs according to generally accepted accounting procedures.

(a) For the purpose of 38 U.S.C. 5071–5074, direct grant costs are limited to the Veterans Administration's contribution to the payment of faculty salaries. (§ 17.405(a)(2)(iii).)

(b) For the purposes of 38 U.S.C. 5081–5083 and 5091–5093, direct costs may include in proportion to time and effort spent, but are not limited to, fees and costs directly paid to personnel or for fringe benefits, publications, educational programs, training, or demonstration activities carried out in connection with projects and programs by grantee institutions. In addition, grants made pursuant to 38 U.S.C. 5081–5083 may include costs of construction, provided that such construction is located on land under the jurisdiction of the Administrator and leased to the grantee.

(c) For the purposes of 38 U.S.C. 5081–5083 and 5091–5093, indirect costs may be computed on a percentage basis or on the basis of a negotiated lump-sum allowance in accordance with the principles set forth in the Office of Management and Budget Circulars No. A–88, No. A–87, and No. A–21. In the method of computation used, only indirect costs shall be included which bear a reasonable relationship to the program funded by the grant and shall not exceed a percentage greater than the total institutional indirect cost is of the total direct salaries and wages paid by the institution.

§ 17.411 Records, reports, and audit.

(a) *Records.* Each recipient of assistance shall keep records which fully disclose the amount and disposition by the recipient of the proceeds of the assistance, the total cost of the project or undertaking in connection with which the assistance is made and used, the portion of the costs supplied by other public or private sources, and such other records prescribed by the Administrator as will facilitate an effective audit.

(b) *Reports.* Each recipient of assistance will furnish such periodic progress reports as the Administrator may find necessary.

(c) *Audit.* Any application for assistance shall constitute the consent of the applicant that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records which are pertinent to such assistance for the purposes of audit and examination.

§ 17.412 Additional conditions.

The Administrator may with respect to any grant award impose additional conditions prior to or at the time of any award when in his judgment such conditions are necessary to assure or protect advancement of the grant purposes, the interest of the Veterans Administration or the conservation of grant funds. All construction, and alterations of buildings and structures, related to the award of a grant or other assistance will be subject to section 102(2)(C) of the National Environmental Policy Act.

§ 17.413 Early termination and withholding of payments.

Whenever the Administrator finds that a grantee has failed in a material respect to comply with the applicable provisions of 38 U.S.C. Chapter 82, §§ 17.400 through 17.416, or the terms of the grant, he may, on reasonable notice to the grantee withhold further payments and take such other action, including the termination of the grant, as he finds appropriate to carry out the purposes of 38 U.S.C. Chapter 82 and §§ 17.400 through 17.416. Noncancelable obligations of the grantee properly incurred prior to the receipt of the notice of termination will be honored. The grantee shall be promptly notified of such termination in writing and given the reasons therefor.

§ 17.414 Recapture provision.

If the Administrator determines that any school established with assistance under §§ 17.400 through 17.416

(1) Is not accredited and fails to gain appropriate accreditation within a reasonable period of time;

(2) Is accredited but fails substantially to carry out the terms of the agreement entered into under 38 U.S.C. Chapter 82; or

(3) Is no longer operated for the purpose for which such assistance was granted,

he shall be entitled to recover from the recipient of assistance the facilities of such school which were established with assistance under §§ 17.400 through 17.416. In order to recover such facilities the Administrator may bring an action in the district court of the United States for the district in which such facilities are situated.

§ 17.415 Right to hearing.

The actions contemplated in §§ 17.413 and 17.414 shall not be taken until the grantee has been afforded an opportunity for a hearing. Whenever a hearing is held under this section the procedures shall be in accord with the provisions of §§ 18.9 and 18.10 of this chapter. Failure of a grantee to request a hearing or to appear at a scheduled hearing shall be deemed a waiver of the right to be heard and constitutes consent to the administrator's decision made on the basis of available information.

§ 17.416 Expansion of hospital education and training capacity.

Expenditures, not to exceed 30 percent of the funds appropriated under 38 U.S.C. 5082 for grants to affiliated medical and other schools, may be made for the extension, expansion, alteration, improvement, remodeling, or repair of Veterans Administration buildings and structures to make them suitable for use for health manpower education and training. In addition, such expenditures may be made to Veterans Administration hospitals and facilities for the development or initiation of improved methods of education and training.

[FR Doc.73-19891 Filed 9-18-73;8:45 am]

Title 39—Postal Service

CHAPTER I—U.S. POSTAL SERVICE

SUBCHAPTER D—ORGANIZATION AND ADMINISTRATION

PART 235—DEFENSE DEPARTMENT LIAISON

Civil Preparedness

This document changes the section heading in § 235.2 from Civil Defense to Civil Preparedness, changes the title of Defense Coordinator in § 235.2(b) to Emergency Coordinator, and makes several other related changes in terminology.

Accordingly, in Subchapter D, Part 235 is amended as set forth below and is effective on September 19, 1973.

Sec.

235.1 Postal Service to the Armed Forces.
235.2 Civil preparedness.

AUTHORITY.—39 U.S.C. 401(2), 402, 403, 404, as enacted by Pub. L. 91-375, 84 Stat. 719.

§ 235.1 Postal Service to the Armed Forces.

(a) Publication 38, Postal Agreement with the Department of Defense, defines the Postal Service's responsibilities for providing postal service to the Armed Forces.

(b) The Chief Inspector is responsible for military liaison.

(c) Postal inspectors provide liaison between postmasters and military commanders, visit military installations as required, and make any necessary recommendations.

§ 235.2 Civil preparedness.

(a) *Mission.* The prime objective of postal emergency preparedness planning is to maintain or restore essential postal service in a national emergency, natural disaster, or disruptive domestic crisis.

(b) *Emergency Coordinator.* The Chief Inspector is designated Emergency Coordinator for the Postal Service. As Emergency Coordinator, he provides general direction and coordination of the following programs:

(1) National Civil Preparedness and Defense Mobilization;

(2) Natural Disaster Preparedness;

(3) Emergency Response to Disruptive Domestic Crisis.

(c) *Regional Emergency Coordinator.* The Chief Inspector may delegate authority to Regional Chief Postal Inspectors, or others, for the function of Regional Emergency Coordinator and the general direction and coordination of all such programs within the Postal Regions, as are conducted by him at the National level.

(d) *Postmaster General emergency line of succession.* (1) Deputy Postmaster General; (2) Senior Assistant Postmaster General, Administration; (3) Senior Assistant Postmaster General, Operations.

(e) *Headquarters and field lines of succession.* Each Headquarters organizational unit shall establish its own internal line of succession to provide for continuity under emergency conditions. Each Regional Postmaster General, Regional Chief Inspector, Postal Data Center Director, Inspector in Charge, and postmaster at first-class post offices shall prepare a succession list of officials who will act in his stead in the event he is incapacitated or absent in an emergency. Orders of succession shall be shown by position titles, except those of the Inspection Service may be shown by names.

(f) *Field responsibilities.* Postmasters and heads of other installations shall:

(1) Carry out civil preparedness assignments, programs, etc., as directed by regional officials.

(2) Comply with, and cooperate in community civil preparedness plans (including exercise) for evacuation, take cover and other survival measures prescribed for local populations.

(3) Designate representatives for continuing liaison with local civil preparedness organizations where such activity will not interfere with normal duties.

(4) Endeavor to serve (at their own option) as members on the staff of the local civil preparedness director, provided such service will not interfere with their primary postal responsibility in an emergency.

(5) Authorize and encourage their employees to participate voluntarily in nonpostal pre-emergency training programs

and exercises in cooperation with States and localities.

ROGER P. CRAIG,
Deputy General Counsel.

SEPTEMBER 11, 1973.

[FR Doc.73-19856 Filed 9-18-73;8:45 am]

Title 42—Public Health

CHAPTER I—PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MISCELLANEOUS AMENDMENTS

Amendments to Public Health Service Grant Regulations to conform with 45 CFR Part 74.—The following amendments bring into conformity with 45 CFR Part 74 those Public Health Service grant program regulations in 42 CFR Chapter I which Part 74 affects. 45 CFR Part 74, which is a new Department of Health, Education, and Welfare (DHEW) regulation published in this issue of the FEDERAL REGISTER, provides a regulatory umbrella for DHEW implementation of Office of Management and Budget (OMB) Circular No. A-102 "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments." 45 CFR Part 74 also establishes (in Subpart Q) principles for determining allowable costs under DHEW grants to the various types of grantee organizations. These principles have hitherto been published by DHEW only in manual and brochure format.

Effect on grants to State and local governments. 45 CFR Part 74 is mandatorily applicable to DHEW grants to State and local governments (as defined in Subpart A of Part 74). For such grants, these amendments add, in the appropriate places, blanket cross-references to Part 74.

Effect on grants to other recipients. Those subparts of 45 CFR Part 74 which are derived from OMB Circular No. A-102 have been designed so that, where determined to be appropriate, they may be made applicable to DHEW grants to recipients which are not State or local governments. Subject to certain exceptions which are identified below, the following subparts of 45 CFR Part 74 have been determined to be appropriate for application to such grants under the affected programs covered by this Chapter I, and are specifically made so applicable by these amendments:

45 CFR PART 74

Subpart
- A General.
- B Cash Depositories.
- C Bonding and Insurance.
- D Retention and Custodial Requirements for Records.
- F Grant-Related Income.
- G Matching and Cost Sharing.
- K Grant Payment Requirements.
- L Budget Revision Procedures.
- M Grant Closeout, Suspension, and Termination.
- O Property.

With respect to Part 52 and Subpart B of Part 59a, Subpart L of 45 CFR Part 74 is not at this time made applicable to grants to recipients which are not State or local governments. Further study will be required before a determination can be made as to whether Subpart L of 45 CFR Part 74 should be made applicable to such grants.

The regulations in Part 57 are, for the most part, not affected by the issuance of 45 CFR Part 74. However, it has been determined that certain provisions of Subpart O "Property" of Part 74 shall apply to grants under Subparts L and Q of Part 57. Consequently, these amendments substitute a cross-reference to those provisions of Part 74 in place of the previous provisions of §§ 57.1109(b) and 57.1611(b).

Cost principles. Cross-references to Subpart Q "Cost Principles" of 45 CFR Part 74 are also added by these amendments where appropriate.

Conflicting provisions. These amendments also revoke or modify, as appropriate, specific provisions of Chapter I which would have conflicted with 45 CFR Part 74.

Omission of notice of proposed rulemaking. Notice of proposed rulemaking procedures and delay in effective date have been omitted as unnecessary in the issuance of these amendments which relate solely to the administrative requirements of Public Health Service grants.

Opportunity to comment. Written comments concerning these amendments are invited from interested persons. Comments may be addressed to the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201. All comments received in response to this invitation will be available for public inspection and copying at room 4829, 400 Sixth Street SW., Washington, D.C., between the hours of 9 a.m. and 5:30 p.m. weekdays, Federal holidays excepted.

Effective date.—These amendments shall become effective on September 19, 1973.

Dated September 7, 1973.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Chapter I of Title 42 of the Code of Federal Regulations is amended as follows:

PART 51—GRANTS TO STATES FOR COMPREHENSIVE HEALTH PLANNING AND PUBLIC HEALTH SERVICES

§ 51.4 [Amended]

1. Section 51.4 is amended by revoking the words "within 60 days" in paragraph (g)(1)(iv), by deleting the footnote to the second sentence of paragraph (j), and by revoking the words in the second sentence of paragraph (j) reading "Chapter 5-60 of the Department of Health, Education, and Welfare Grants Administration Manual" and substituting in their place the words "Subpart Q of 45 CFR Part 74."

§ 51.6 [Amended]

2. The third sentence of § 51.6 is revoked.

3. Subpart A of Part 51 is amended by adding a new § 51.9, reading as follows:

§ 51.9 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants made under this subpart.

§ 51.104 [Amended]

4. Section 51.104 is amended by deleting the footnote to paragraph (o)(1), by revoking the words in paragraph (o)(1) reading "Chapter 5-60 of the Departmen of Health, Education, and Welfare Grants Administration Manual" and substituting in their place the words "Subpart Q of 45 CFR Part 74," and by revoking paragraphs (o)(4) and (o)(5).

§ 51.104 [Amended]

§ 51.108 [Amended]

5. The last sentence in § 51.108(a) is revoked.

6. Subpart B of Part 51 is amended by adding a new § 51.111, reading as follows:

§ 51.111 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants made under this subpart.

7. Section 51.406 is amended by deleting the footnote to paragraph (b)(2), by revising the last sentence in paragraph (b)(2), and by revising paragraph (c). As amended, § 51.406 reads as follows:

§ 51.406 Grant evaluation and award.

* * * * *

(b) * * *

(2) * * * In determining the grantee's share of project costs, costs borne by Federal grants, or costs used to match other Federal grants, may not be included except as may be otherwise provided by law.

(c) Allowability of costs shall be in conformance with the applicable principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

§ 51.408 [Amended]

8. Section 51.408(a) is amended by revoking the words "cost principles set forth in the Department of Health, Education, and Welfare Grants Administration Manual." and substituting in their place the words "applicable cost principles prescribed by Subpart Q of 45 CFR Part 74."

§ 51.411 [Amended]

9. Section 51.411 is amended by inserting after the work "Manual" a foot-

note 2 reference. The text of the footnote is as follows:

[2] The Department of Health, Education, and Welfare Grants Administration Manual is available for inspection at the Public Information Office of the several Department Regional Offices and available for purchase at the Government Printing Office, GPO document No. 894–523.

10. Section 51.414 is amended by revoking paragraphs (b), (c)(2), and (c)(3), and by revising paragraph (d)(2). As amended, § 51.414 reads as follows:

§ 51.414 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest pursuant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

§ 51.415 [Revoked]

11. Section 51.415 is revoked.

12. The heading and text of § 51.417 are revised to read as follows:

§ 51.417 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 51a—GRANTS FOR MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN SERVICES

§ 51a.205 [Amended]

13. The third sentence of § 51a.205 is revoked.

§ 51a.212 [Amended]

§§ 51a.215 and 51a.216 [Revoked]

14. Sections 51a.212(b), 51a.213, and 51a.216 are revoked.

15. The heading and text of § 51a. 217 are revised to read as follows:

§ 51a.217 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

16. Section 51a.307(b) is amended by deleting the footnote and by revising the last sentence. As amended, § 51a.307(b) reads as follows:

§ 51a.307 Evaluation and grant award.

* * * * *

(b) The amount of any award shall be determined by the Secretary on the basis of his estimate of the sum necessary for the proper performance of the project: *Provided, however,* That no grant shall be made for an amount equal to more than 75 percent of the cost of the project. In determining the grantee's share of project costs, costs borne by Federal funds, or costs used to match other Federal grants, may not be included except as may be otherwise provided by law.

* * * * *

17. Section 51a.309 is amended by deleting footnote 3 to paragraph (a), and by revising paragraph (a) to read as follows:

§ 51a.309 Use of project funds.

(a) Any funds granted pursuant to this subpart, as well as other funds to be used in the performance of the approved project shall be expended solely for carrying out the approved project in accordance with the statute, the regulations in this subpart, the terms and conditions of the award, and the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74: *Provided, however,* That with respect to grants awarded prior to July 1, 1972, funds may not be used for the payment of indirect costs.

* * * * *

18. Section 51a.314 is amended by revoking paragraphs (b), (c)(2), and (c)(3), and by revising paragraph (d)(2). As amended, § 51a.314 reads as follows:

§ 51a.314 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest pursuant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

§ 51a.315 [Revoked]

19. Section 51a.315 is revoked.

20. The heading and text of § 51a.317 are revised to read as follows:

§ 51a.317 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 51b—GRANTS FOR COMMUNICABLE DISEASE CONTROL

21. Section 51b.6 is amended by deleting the footnote to paragraph (b), by revising the last sentence in paragraph (b), and by revising paragraph (c). As amended, § 51b.6 reads as follows:

§ 51b.6 Grant evaluation and award.

* * * * *

(b) * * * In determining the grantee's share of project costs, costs borne by Federal grants, or costs used to match other Federal grants, may not be included except as may be otherwise provided by law.

(c) Allowability of costs shall be in conformance with the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

22. Section 51b.8(a) is revised to read as follows:

§ 51b.8 Use of project funds.

(a) Any funds granted pursuant to these regulations may be expended solely for carrying out the approved project in accordance with section 317 of the Act, these regulations, and the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

23. Section 51b.13 is amended by revoking paragraphs (b), (c)(2), and (c)(3), and by revising paragraph (d)(2). As amended, § 51b.13 reads as follows:

§ 51b.13 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest pursuant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

§ 51b.14 [Revoked]

24. Section 51b.14 is revoked.

25. The heading and text of § 51b.16 are revised to read as follows:

§ 51b.16 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 52—GRANTS FOR RESEARCH PROJECTS

§ 52.15 [Revoked]

26. Section 52.15 is revoked.

§ 52.21 [Amended]

27. Section 52.21 is amended by revoking the words "as provided in § 52.15" in the second sentence, and substituting in their place the words "pursuant to Subpart M of 45 CFR Part 74."

§ 52.24 [Revoked]

28. Section 52.24 is revoked.

§ 52.33 [Amended]

29. Section 52.33(b) is amended by revoking the words "subject to accounting as provided in § 52.42" in the second sentence, and substituting in their place the words "subject to the provisions of Subpart O of 45 CFR Part 74."

§ 52.40 [Amended]

30. Section 52.40 is amended by revoking the words "as provided in § 52.15," and substituting in their place the words "pursuant to Subpart M of 45 CFR Part 74."

§§ 52.42, 52.43 and 52.44 [Revoked]

31. Sections 52.42, 52.43, and 52.44 are revoked.

32. Section 52.45 is revised to read as follows:

§ 52.45 Final settlement.

There shall be payable to the United States as final settlement with respect to each approved project the total sum of (a) any amount not accounted for pursuant to § 52.41 and (b) any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74. Such total sum shall constitute a debt owed by the grantee to the United States and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

33. Part 52 is amended by adding a new Subpart F, to read as follows:

Subpart F—Applicability of 45 CFR Part 74—HEW Administrative Requirements and Cost Principles

Sec.
52.50 Grants to State and local governments.
52.51 Grants to other organizations.
52.52 Grants to individuals.

AUTHORITY.—(5 U.S.C. 301; sec. 215, 58 Stat. 690, as amended (42 U.S.C. 216). Reorg. Plan No. 3 of 1966, 31 FR 8855, 3 CFR 1966–1970 comp. office of Management and Budget Circulars A–102, A–87 and A–21.

Subpart F—Applicability of 45 CFR Part 74—HEW Administrative Requirements and Cost Principles

§ 52.50 Grants to State and local governments.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of 45 CFR Part 74.

§ 52.51 Grants to other organizations.

The relevant provisions of the following subparts of 45 CFR Part 74 shall apply to all grants under this part to organizations other than State and local governments as those terms are defined in Subpart A of 45 CFR Part 74:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

§ 52.52 Grants to individuals.

The relevant provisions of Subparts A, B, C, D, F, G, K, and M of 45 CFR Part 74 shall apply to grants under this part to individuals.

PART 53—GRANTS, LOANS AND LOAN GUARANTEES FOR CONSTRUCTION AND MODERNIZATION OF HOSPITALS AND MEDICAL FACILITIES

34. Section 53.128 is amended by revoking paragraph (g), by revoking paragraph (*l*)(2)(ii), and by adding a new paragraph (*l*)(3). As amended, § 53.128 reads as follows:

§ 53.128 Assurances from applicant.

* * * * *

(g) [Revoked]

* * * * *

(*l*) * * *
(2) * * *
(ii) [Revoked]

* * * * *

(3) That the applicant will comply with the bonding and insurance requirements set forth in Subpart C of 45 CFR Part 74.

35. Subpart M of Part 53 is amended by adding a new § 53.136, to read as follows:

§ 53.136 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to

State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 54—GRANTS FOR SPECIALIZED SERVICE FACILITIES

36. Section 54.209 is amended by revoking paragraph (*l*) (2) (ii) and by adding a new paragraph (*l*) (3). As amended, § 54.209 reads as follows:

§ 54.209 State plan; assurances from applicant.

* * * * *

(*l*) * * *
(2) * * *
(ii) [Revoked]
(iii) * * *

(3) That the applicant will comply with the bonding and insurance requirements set forth in Subpart C of 45 CFR Part 74.

* * * * *

37. Subpart C of Part 54 is amended by adding between existing §§ 54.214 and 54.215, a new § 54.214a, reading as follows:

§ 54.214a Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

38. Subpart D of Part 54 is amended by adding a new § 54.309, to read as follows:

§ 54.309 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 55—GRANTS FOR ADVANCEMENT OF HEALTH IN COAL MINING

39. Section 55.20 is amended by deleting the footnote to paragraph (b), by revising the last sentence in paragraph (b), and by revising paragraph (c). As amended, § 55.20 reads as follows:

§ 55.20 Grant awards and payment.

* * * * *

(b) * * * In determining the grantee's share of project costs, costs borne by Federal grants, or costs used to match other Federal grants may not be included except as may be otherwise provided by law.

(c) Allowability of costs shall be in conformance with the applicable principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

§§ 55.22, 55.40 and 55.41 [Revoked]

40. Sections 55.22, 55.40, and 55.41 are revoked.

§ 55.51 [Amended]

41. In § 55.51, paragraph (b) is amended by revoking the words "subject to accounting as provided in § 55.61." in the second sentence, and substituting in their place the words "subject to the applicable provisions of Subpart O of 45 CFR Part 74.", and paragraph (d) is amended by revoking the parenthetical clause "(see Chapter 1–44 of the Department of Health, Education, and Welfare Grants Administration Manual)" in the first sentence.

§ 55.60 [Amended]

42. Section 55.60 is amended by revoking the words "as provided in § 55.22" in the last sentence, and substituting in their place the words "pursuant to Subpart M of 45 CFR Part 74".

§ 55.61 [Revoked]

§ 55.62 [Amended]

43. Sections 55.61 and 55.62(b) and (c) are revoked.

44. Section 55.63 is revised to read as follows:

§ 55.63 Final settlement.

There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of (a) any amount not accounted for pursuant to § 55.60 and (b) any other amounts due pursuant to Subparts, F, M, and O of 45 CFR Part 74. Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

45. Part 55 is amended by adding a new Subpart H, to read as follows:

Subpart H—Applicability of 45 CFR Part 74—HEW Administrative Requirements and Cost Principles

Sec.
55.70 Grants to State and local governments.
55.71 Grants to other organizations.

AUTHORITY.—(5 U.S.C. 301); sec. 215, 58 Stat. 690, as amended (42 U.S.C. 216). Reorg. Plan No. 3 of 1966, 31 FR 8855, 3 CFR 1966–1970 Comp. Office of Management and Budget Circulars A–102, A–87 and A–21.

Subpart H—Applicability of 45 CFR Part 74—HEW Administrative Requirements and Cost Principles

§ 55.70 Grants to State and local governments.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74.

§ 55.71 Grants to other organizations.

The relevant provisions of the following subparts of 45 CFR Part 74 shall also apply to all grants under this part to organizations other than State and local governments as defined in Subpart A of 45 CFR Part 74:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 56—GRANTS FOR MIGRANT HEALTH SERVICE

46. Section 56.107 is amended by deleting the footnote to paragraph (b), by revising the last sentence in paragraph (b), and by revising paragraph (c). As amended, § 56.107 reads as follows:

§ 56.107 Grant evaluation and award.

* * * * *

(b) * * * In determining the grantee's share of project costs, costs borne by other Federal grants or costs used to match other Federal grants may not be included except as may be otherwise provided by law.

(c) Allowability of costs shall be in conformance with the applicable principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

§ 56.109 [Amended]

47. Section 56.109(a) is amended by revoking the words "cost principles set forth in the Department of Health, Education, and Welfare Grants Administration Manual." and substituting in their place the words "the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74."

48. Section 56.114 is amended by revoking paragraphs (b), (c)(2), and (c)(3), and by revising paragraph (d)(2). As amended, § 56.114 reads as follows:

§ 56.114 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest purusant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts, F, M, and O of 45 CFR Part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

§ 56.115 [Revoked]

49. Section 56.115 is revoked.

50. The heading and text of § 56.117 are revised to read as follows:

§ 56.117 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to all other grantee organizations under this part:

45 CFR Part 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 57—GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES (INCLUDING MENTAL RETARDATION RESEARCH FACILITIES), TEACHING FACILITIES, STUDENT LOANS, EDUCATIONAL IMPROVEMENT AND SCHOLARSHIPS

51. Section 57.1109 is amended by revising paragraphs (b) and (d)(2), and by transferring the footnote from paragraph (b) to paragraph (c)(2). As amended, § 57.1109 reads as follows:

§ 57.1109 Accountability.

* * * * *

(b) *Accounting for equipment.* Equipment acquired with grant funds awarded under this subpart shall be subject to accountability and related polices and procedures governing the title, use, and disposition of property acquired with grant funds as prescribed in §§ 74.131, 74.132, 74.135, 74.136, 74.137, and 74.141 of Subpart O of 45 CFR Part 74.

(c) * * *

(2) Other income earned by the grantee shall be disposed of in accordance with one of the alternatives specified in Chapter 1-420 of the Department of Health, Education, and Welfare Grants Administration Manual[3] as determined by the Secretary in the grant award

(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of (i) any amount not accounted for pursuant to paragraph (a) of this section; (ii) any amounts due pursuant to Subpart O of 45 CFR Part 74; (iii) any other settlements required pursuant to paragraph (c)(1) and (2) of this section. Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action provided as by law.

52. Section 57.1611 is amended by revising paragraphs (b) and (d)(2). As amended, § 57.1611 reads as follows:

§ 57.1611 Grantee accountability.

* * * * *

(b) *Accounting for equipment.* Equipment acquired with grant funds awarded under this subpart shall be subject to accountability and related policies and procedures governing the title, use, and disposition of property acquired with grant funds as prescribed in §§ 74.131, 74.132, 74.135, 74.136, 74.137, and 74.141 of Subpart O of 45 CFR Part 74.

* * * * *

[3] The Department of Health, Education, and Welfare Grants Administration Manual is available for public inspection and copying at the Department's and Regional Offices' information centers listed in 45 CFR 5.31 and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of (i) any amount not accounted for pursuant to paragraph (a) of this section; (ii) any amounts due pursuant to Subpart O of 45 CFR Part 74; (iii) any other settlements required pursuant to paragraph (c)(1) and (2) of this section. Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

PART 59—GRANTS FOR FAMILY PLANNING SERVICES

53. Section 59.6(b) is amended by deleting the footnote and by revising the last sentence. As amended, § 59.6(b) reads as follows:

§ 59.6 Evaluation and grant award.

* * * * *

(b) * * * In determining the grantee's share of project costs, costs borne by Federal funds or costs used to match other Federal grants may not be included except as may be otherwise provided by law.

* * * * *

§ 59.8 [Amended]

54. Section 59.8(a) is amended by revoking the words "cost principles set forth in the Department of Health, Education, and Welfare Grants Administration Manual." and substituting in their place the words "the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74."

55. Section 59.13 is amended by revoking paragraphs (b), (c)(2), and (c)(3), and by revising paragraph (d)(2). As amended, § 59.13 reads as follows:

§ 59.13 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest pursuant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from

the grantee or its successors or assignees by setoff or other action as provided by law.

§ 59.14 [Revoked]

56. Section 59.14 is revoked.

57. The heading and text of § 59.16 are revised to read as follows:

§ 59.16 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

58. The footnote to § 59.206(c) is deleted, and § 59.906(c) is revised to read as follows:

§ 59.206 Evaluation and grant award.

* * * * *

(c) Allowability of costs shall be in conformance with the applicable cost principles prescribed by Subpart Q of 35 CFR Part 74.

* * * * *

§ 59.208 [Amended]

59. Section 59.208(a) is amended by revoking the words "cost principles set forth in the Department of Health, Education, and Welfare Grants Administration Manual." and substituting in their place the words "applicable cost principles prescribed by Subpart Q of 45 CFR Part 74."

60. Section 59.212 is amended by revoking paragraphs (b), (c)(2) and (c)(3), and by revising paragraph (d)(2). As amended, § 59.212 reads as follows:

§ 59.212 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest pursuant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

§ 59.213 [Revoked]

61. Section 59.213 is revoked.

62. The heading and text of § 59.215 are revised to read as follows:

§ 59.215 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart.

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 59a—NATIONAL LIBRARY OF MEDICINE GRANTS

§§ 59a.16, 59a.20, 59a.23, 59a.24 and 59a.25 [Revoked]

63. Sections 59a.16, 59a.20, 59a.23, 59a.24, and 59a.25 are revoked.

64. Section 59a.26 is revised to read as follows:

§ 59a.26 Final settlement.

There shall be payable to the United States as final settlement the total of any amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74. Such total sum shall constitute a debt owed by the grantee to the United States and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

65. Subpart B of Part 59a is amended by adding a new § 59a.27, to read as follows:

§ 59a.27 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart.

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 87—GRANTS FOR RESEARCH AND DEMONSTRATIONS RELATING TO OCCUPATIONAL SAFETY AND HEALTH

66. Section 87.14 is amended by deleting the footnote to paragraph (b), by revising the last sentence in paragraph (b), and by revising paragraph (c). As amended, § 87.14 reads as follows:

§ 87.14 Grant awards.

* * * * *

(b) * * * In determining the grantee's share of the project costs, costs borne by Federal grants, or costs used to match other Federal grants, may not be included except as may be otherwise provided by law.

(c) Allowability of costs shall be in conformance with the applicable principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

§ 87.15 [Revoked]

67. Section 87.15 is revoked.

§ 87.20 [Amended]

68. Section 87.20(a) is amended by revoking the words "set forth in the Department of Health, Education, and Welfare Grants Administration Manual." and substituting in their place the words "prescribed by Subpart Q of 45 CFR Part 74."

§ 87.30 [Amended]

69. Section 87.30 is amended by revoking the words "as provided in § 87.15," and substituting in their place the words "pursuant to Subpart M of 45 CFR Part 74,".

§§ 87.32 and 87.33 [Revoked]

70. Sections 87.32 and 87.33 are revoked.

71. Section 87.34 is revised to read as follows:

§ 87.34 Final settlement.

There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of (a) any amount not accounted for pursuant to § 87.31, and (b) any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74. Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

72. Part 87 is amended by adding a new Subpart E, to read as follows:

Subpart E—Applicability of 45 CFR Part 74—HEW Administrative Requirements and Cost Principles

Sec.
87.40 Grants to State and local governments.
87.41 Grants to other organizations.

AUTHORITY.—5 U.S.C. 301; sec. 215, 58 Stat. 690, as amended (42 U.S.C. 216). Reorg. Plan No. 3 of 1966, 31 FR 8855, 3 CFR 1966–1970 Comp. Office of Management and Budget Circular A–102, A–87 and A–21.

Subpart E—Applicability of 45 CFR Part 74—HEW Administrative Requirements and Cost Principles

§ 87.40 Grants to State and local governments.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74.

§ 87.41 Grants to other organizations.

The following provisions of 45 CFR Part 74 shall also apply to all grants under this part to organizations other than State and local governments as those terms are defined in Subpart A of 45 CFR Part 74:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

PART 91—GRANTS FOR PREVENTION OF LEAD BASED PAINT POISONING

73. Section 91.6 is amended by deleting the footnote to paragraph (b), by revising the last sentence in paragraph (b), and by revising paragraph (c). As amended, § 91.6 reads as follows:

§ 91.6 Evaluation and grant award.

* * * * *

(b) * * * In determining the grantee's share of the project costs, costs borne by Federal grants, or costs used to match other Federal grants, may not be included except as may be otherwise provided by law.

(c) Allowability of costs shall be in conformance with the applicable principles prescribed by Subpart Q of 45 CFR Part 74.

* * * * *

§ 91.8 [Amended]

74. Section 91.8(a) is amended by revoking the words "cost principles set forth in the Department of Health, Education, and Welfare Grants Administration Manual." and substituting in their place the words "the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74."

§ 91.13 [Amended]

75. Section 91.13 is amended by revoking the words in the second sentence reading "as set forth in the Department's Grants Administration Manual." and substituting in their place the words "prescribed by Subpart Q of 45 CFR Part 74." and by inserting a footnote 1 reference after the word "Manual" in the fourth sentence. The text of the footnote is as follows:

[1] The Department of Health, Education, and Welfare Grants Administration Manual is available for inspection at the Public Information Office of the several department regional offices and available for purchase at the Government Printing Office, GPO document No. 894–523.

76. Section 91.14 is amended by revoking paragraphs (b), (c)(2) and (c)(3), and by revising paragraph (d)(2). As amended, § 91.14 reads as follows:

§ 91.14 Grantee accountability.

* * * * *

(b) [Revoked]
(c) * * *
(2) [Revoked]
(3) [Revoked]
(d) * * *

(2) *Final settlement.* There shall be payable to the Federal Government as final settlement with respect to each approved project the total sum of:

(i) Any amount not accounted for pursuant to paragraph (a) of this section;

(ii) Any credits for earned interest pursuant to paragraph (c)(1) of this section;

(iii) Any other amounts due pursuant to Subparts F, M, and O of 45 CFR 74.

Such total sum shall constitute a debt owed by the grantee to the Federal Government and shall be recovered from the grantee or its successors or assignees by setoff or other action as provided by law.

§ 91.15 [Revoked]

77. Section 91.15 is revoked.

78. The heading and text of § 91.17 are revised to read as follows:

§ 91.17 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall apply also to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
L Budget Revision Procedures.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

((5 U.S.C. 301) sec. 215, 58 Stat. 690, as amended (42 U.S.C. 216), Reorg. Plan No. 3 of 1966, 31 FR 8855, 3 CFR 1966–1970 Comp. Office of Management and Budget Circulars A–102, A–87 and A–21)

[FR Doc.73–19608 Filed 9–18–73;8:45 am]

CHAPTER II—CHILDREN'S BUREAU, SOCIAL AND REHABILITATION SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

RESEARCH PROJECTS, ADMINISTRATIVE PROCEDURES AND SPECIAL PROJECT GRANTS

The following amendments bring Part 205 into conformity with 45 CFR Part 74, delete Subpart B of Part 206, and delete Part 208. The deleted material is obsolete.

45 CFR Part 74, which is a new Department of Health, Education, and Welfare (DHEW) regulation published in this issue of the FEDERAL REGISTER, provides a regulatory umbrella for HEW implementation of Office of Management and Budget (OMB) Circular No. A–102, "Uniform administrative requirements for grants-in-aid to State and local governments." 45 CFR Part 74 also establishes (in Subpart Q) principles for determining allowable costs under DHEW grants to the various types of grantee organizations. These principles have hitherto been published by DHEW only in manual and brochure format.

Effect on Part 205 grants to State and local governments. 45 CFR Part 74 is mandatorily applicable to DHEW grants to State and local governments (as defined in Subpart A of 45 CFR Part 74). For such grants under Part 205 of this Chapter II, these amendments add, in a new § 205.18, a blanket cross-reference to Part 74.

Effect on Part 205 grants to other recipients. Those subparts of 45 CFR Part 74 which are derived from OMB Circular No. A–102 have been designed so that, where determined to be appropriate, they may be made applicable to DHEW grants to recipients which are not State or local governments. The following subparts of 45 CFR Part 74 have been determined to be appropriate for application to such grants under Part 205 of this Chapter II, and are specifically made so applicable by new § 205.18:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.

In addition, new § 205.18 cross-references Subpart Q "Cost Principles" of 45

CFR Part 74, since that subpart is mandatorily applicable to all DHEW grants.

Conflicting provisions. These amendments revoke or modify, as appropriate, those specific provisions of Part 205 which conflicted with 45 CFR Part 74.

Omission of notice of proposed rule making. Notice of proposed rule making procedures and delay in effective date have been omitted as unnecessary in the issuance of these amendments which relate to the administrative requirements of grants under Part 205 and the deletion of obsolete material.

Opportunity to comment. Written comments concerning these amendments are invited from interested persons. Comments may be addressed to the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201. All comments received in response to this invitation will be available for public inspection at room 4829, 400 Sixth Street SW., Washington, D.C., between the hours of 9 a.m. and 5:30 p.m. weekdays, Federal holidays excepted.

Effective date.—These amendments shall become effective on September 19, 1973.

Dated September 7, 1973.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Chapter II of Title 42 of the Code of Federal Regulations is amended as follows:

PART 205—RESEARCH PROJECTS RELATING TO MATERNAL AND CHILD HEALTH SERVICES AND CRIPPLED CHILDREN'S SERVICES, AND RESEARCH OR DEMONSTRATION PROJECTS RELATING TO CHILD WELFARE SERVICES

1. Section 205.4 is amended by revoking the last sentence in paragraph (b) and by revising paragraph (d). As amended, § 205.4 reads as follows:

§ 205.4 Application.

* * * * *

(b) The application shall be executed by an individual authorized to act for the applicant, and to assume for the applicant the obligations imposed by the terms and conditions of any grant, including these regulations.

* * * * *

(d) After a project is approved, the grantee shall submit in writing to the Bureau, for prior approval, information as to any substantial alteration in scope or purpose of the project, any change in project director, or any other change for which prior approval is required by the terms and conditions of the grant.

2. The heading and text of § 205.6 are revised to read as follows:

§ 205.6 Use of funds and allowability of costs.

Grants under this part will be available only for the Federal share of the allowable costs of approved projects. Allowability of costs shall be determined in accordance with the applicable cost principles prescribed by Subpart Q of 45 CFR Part 74.

§ 205.7 [Amended]

3. The last sentence of § 205.7 is revoked.

§§ 205.8 and 205.9 [Revoked]

4. Sections 205.8 and 205.9 are revoked.

5. Section 205.10 is amended by revising the second sentence of paragraph (a), by revoking the last sentence of paragraph (a), by revoking paragraph (b), and by revising the second sentence of paragraph (c). As amended, § 205.10 reads as follows:

§ 205.10 Records and reports.

(a) The grantee shall establish and follow such accounting, budgetary, and other fiscal procedures as are necessary for the proper and efficient administration of the project, and shall maintain fiscal records. Such records shall show for each period of the grant the amount and disposition by the grantee of Federal and cost sharing funds, the total cost for the period, and such other records as will facilitate an effective audit.

(b) [Revoked]

(c) The grantee shall provide a progress report with each submission of an application for continuation support. A final project report shall be submitted for each project on or before the date specified by the terms and conditions of the grant. * * *

* * * * *

§§ 205.13 and 205.14 [Revoked]

6. Sections 205.13 and 205.14 are revoked.

7. Section 205.15 is revised to read as follows:

§ 205.15 Final accounting and settlement.

(a) In addition to such other accounting as the Bureau may require, the grantee shall render with respect to each approved project a full account as provided herein, as of the termination date which shall be either (1) the end of the project period, or (2) the date of termination of grant support under Subpart M of 45 CFR Part 74, whichever occurs first.

(b) There shall be payable to the United States as final settlement with respect to each approved project the total sum of (1) any amount not accounted for under § 205.10(e), and (2) any other amounts due pursuant to Subparts F, M, and O of 45 CFR Part 74.

§ 205.16 [Amended]

8. Section 205.16(b) is revoked.

9. A new § 205.18 is added as follows:

§ 205.18 Applicability of 45 CFR Part 74.

The provisions of 45 CFR Part 74, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of 45 CFR Part 74. The relevant provisions of the following subparts of 45 CFR Part 74 shall apply also to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart
- A General.
- B Cash Depositories.
- C Bonding and Insurance.
- D Retention and Custodial Requirements for Records.
- F Grant-Related Income.
- G Matching and Cost Sharing.
- K Grant Payment Requirements.
- M Grant Closeout, Suspension, and Termination.
- O Property.
- Q Cost Principles.

PART 206—ADMINISTRATIVE PROCEDURE

Subpart B—Grants to States

§§ 206.5 through 206.7 [Revoked]

10. Subpart B of Part 206 is deleted.

PART 208—SPECIAL PROJECT GRANTS FOR FAMILY PLANNING SERVICES [DELETED]

11. Part 208 is deleted.

(5 U.S.C. 301), Office of Management and Budget Circulars A-102, A-87, and A-21.)

[FR Doc.73-19606 Filed 9-18-73;8:45 am]

Title 45—Public Welfare

CHAPTER IX—ADMINISTRATION ON AGING, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 901—GENERAL

PART 903—GRANTS FOR STATE AND COMMUNITY PROGRAMS FOR THE AGING

PART 904—RESEARCH AND DEVELOPMENT PROJECTS

PART 905—TRAINING PROJECTS

PART 909—NUTRITION PROGRAM FOR THE ELDERLY

Miscellaneous Amendments

The following amendments conform the HEW-administered grant program regulations in Chapter IX with 45 CFR Part 74, which is a new Department of Health, Education, and Welfare (DHEW) regulation published in this issue of the FEDERAL REGISTER. 45 CFR Part 74 provides a regulatory umbrella for DHEW implementation of Office of Management and Budget (OMB) Circular No. A-102 "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments." Part 74 also establishes (in Subpart Q) principles for determining allowable costs under DHEW grants to the various types of grantee organizations. These principles have hitherto been published by DHEW only in manual and brochure format.

Effect on grants to State and local governments. Part 74 is mandatorily applicable to DHEW grants to State or local governments (as those terms are defined

in Subpart A of Part 74). For such grants, these amendments add (in new § 901.5) a blanket cross-reference to Part 74.

Effect on grants to other organizations. Those subparts of Part 74 which are derived from OMB Circular No. A-102 have been designed so that, where appropriate, they be made applicable to DHEW grants to recipients which are not State or local governments. The following subparts of Part 74 have been determined to be appropriate for application to such grants under this Chapter IX and are specifically made so applicable (in new § 901.5) by these amendments:

45 CFR PART 74

A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.

Cost principles. Subpart Q "Cost Principles" of 45 CFR Part 74 is also cross-referenced by these amendments, since that subpart is applicable to all DHEW grants.

Revocation of conflicting provisions. These amendments revoke those specific provisions in Chapter IX which would have conflicted with 45 CFR Part 74.

Effect on programs administered by ACTION. Parts 906 and 907 of this Chapter IX govern programs formerly administered by DHEW but now administered by ACTION, an independent agency. ACTION, like DHEW, is obligated to implement OMB Circular No. A-102. However, ACTION's programs are not covered by DHEW's implementation of the Circular in 45 CFR Part 74. Therefore (with one minor exception as explained below) these amendments have no effect on Parts 906 and 907.

Section 901.4 contained provisions on retention of records inconsistent with Attachment C of OMB Circular No. A-102 and Subpart D of 45 CFR Part 74. Section 901.4 was applicable to all the grant programs in this Chapter IX, including those covered by Parts 906 and 907. By agreement with ACTION, these amendments revise § 901.4 to (a) make it applicable only to Parts 906 and 907, and (b) apply the provisions of Attachment C of OMB Circular No. A-102 to grants made under those two parts. Records retention requirements (derived from Attachment C of OMB Circular No. A-102) for the DHEW-administered grant programs in this Chapter IX are set forth in Subpart D of 45 CFR Part 74 and are linked to this Chapter by new § 901.5 as described above.

Omission of notice of proposed rulemaking. Notice of proposed rulemaking and delay in effective date have been omitted as unnecessary in the issuance of these amendments which relate solely to the administrative requirements of grants for aging programs.

Opportunity to comment. Written comments concerning these amendments are invited from interested persons. Comments may be addressed to the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201. All comments received in response to this invitation will be available for public inspection at room 4829, 400 Sixth Street SW., Washington, D.C., between the hours of 9 a.m. and 5:30 p.m. weekdays, Federal holidays excepted.

Effective date.—These amendments shall become effective September 19, 1973.

Dated September 7, 1973.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Chapter IX of Title 45 of the Code of Federal Regulations is amended as set forth below:

1. Section 901.4 is revised to read as follows:

§ 901.4 Retention of records.

The provisions of Attachment C of Office of Management and Budget Circular No. A-102 apply to all grants made under parts 906 and 907 of this chapter.

2. A new § 901.5 is added as follows:

§ 901.5 General administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under Parts 903, 904, 905, and 909 of this chapter to State or local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to awards made to all other grantees under Parts 903, 904, 905, and 909 of this chapter:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

§ 903.35 [Amended]

3. Section 903.35 is amended by revoking the words "and limited to the extent that actual costs are incurred to the community project." at the end of the last sentence.

§§ 903.79, 904.7, 904.10, 905.7, 905.10 [Revoked]

4. Sections 903.79, 904.7, 904.10, 905.7, and 905.10 are revoked.

((5 U.S.C. 301), Office of Management and Budget Circulars A-102, A-87, and A-21.)

[FR Doc.73-19607 Filed 9-18-73;8:45 am]

Title 47—Telecommunication

CHAPTER I—FEDERAL COMMUNICATIONS COMMISSION

PART 1—PRACTICE AND PROCEDURE

Cut-off Dates for Filing of Certain Mutually Exclusive Applications

Order.—In the matter of amendment of § 1.227 of the rules concerning cut-off dates for the filing of certain mutually exclusive applications.

1. On July 11, 1972, the Commission released a Report and Order in Docket No. 19484 (37 FR 13982, July 15, 1972) and amended the rules to establish cut-off dates relating to the time in which applications, and amendments thereto, or petitions to deny applications may be filed in the Safety and Special Radio Services. One of the rule sections amended was § 1.227. Subparagraphs (1), (2), and (3) of paragraph (b) of that section specified what applications would be designated for hearing in consolidated proceedings, and subparagraph (4) provided, in essence, that mutually exclusive applications not meeting the requirements of subparagraphs (1), (2), and (3) of paragraph (b) would be dismissed without prejudice. In the subject rule making proceeding, a new subparagraph (4) was added to paragraph (b) concerning applications in the Safety and Special Radio Services, and the old subparagraph (4) was renumbered (5). The language in the newly renumbered subparagraph (5), however, was not amended to show that the subparagraph also applied to the new subparagraph (4). This oversight needs to be corrected by rule amendment as shown below.

2. The amendment herein is editorial in nature and hence the prior notice, procedure and effective date provisions of (5 U.S.C. 553) do not apply. Authority to promulgate the amendment is contained in sections 4(i) and 303(r) of the Communications Act of 1934, as amended, and in § 0.231(d) of the Commission's rules.

3. Accordingly, Part 1 of the Commission's rules is amended as shown below, effective September 21, 1973.

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

Adopted September 11, 1973.

Released September 12, 1973.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] JOHN M. TORBET,
Executive Director.

Part 1 of Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

Section 1.227(b)(5) is amended to read as follows:

§ 1.227 Consolidations.

* * * * * * *

(b) * * *

(5) Any mutually exclusive application filed after the date prescribed in subparagraphs (1), (2), (3), or (4) of this paragraph will be dismissed without prejudice and will be eligible for refiling only after a final decision is rendered by

the Commission with respect to the prior application or applications or after such application or applications are dismissed or removed from the hearing docket.

* * * * *

[FR Doc.73-19922 Filed 9-18-73;8:45 am]

[Docket No. 19762; FCC 73-915]

PART 73—RADIO BROADCAST SERVICES

Table of Assignments in East Moline, Ill.

In the matter of amendment of § 73.202(b), Table of Assignments, FM Broadcast Stations. (East Moline, Illinois); RM-1973.

1. The Commission has before it a notice of proposed rulemaking adopted June 6, 1973 (FCC 73-606, 38 FR 15739) in the above-captioned proceeding, inviting comments on a proposal to assign Class B Channel 267 to either Moline or East Moline, Illinois [38 FR 21651]. The proceeding was instituted on the basis of a petition filed by Upper Rock Island Holding Company, Inc. (petitioner), proposing to assign Channel 267 to East Moline, Illinois.

2. East Moline (population 20,832),[1] located in Rock Island County (population 166,734), is part of the Davenport-Rock Island-Moline Urbanized Area (population 266,199). It presently has one daytime-only AM station (WDLM) and no FM assignments. In addition to the AM station at East Moline, there are 5 AM stations and 4 FM stations in the urbanized area, which are as follows: Davenport (pop. 98,469) has 3 AM stations and 2 FM stations (Channels 279, 293); Rock Island (pop. 50,166) has 1 AM station and 1 FM station (Channel 255); and Moline (pop. 46,237) has 1 AM station and 1 FM station (Channel 245).

3. Interested parties were invited to comment on the Commission's proposal on or before July 20, 1973, and could reply to such comments on or before August 10, 1973. Supporting comments were filed by petitioner and by the Moody Bible Institute (Moody), licensee of daytime-only AM station WDLM, East Moline, Illinois. There were no opposing comments filed.

4. In the Notice, we stated that the petitioner's engineering statement had indicated the proposed assignment would not foreclose future assignments on any of the six adjacent channels and that preclusion on Channel 267 would occur in a very limited area some nine miles northeast of East Moline, the only area where a station on Channel 267 could be located. Petitioner further had indicated that a station operating from this site with a maximum Class B facility would be able to place a 70 dBu signal or greater over the principal cities of the urbanized area. We stated that it appeared the channel could be assigned to any one of these cities, and if assigned to Davenport, Rock Island, or Moline it could be used at East Moline under the provisions of § 73.203(b). We also pointed out that in view of their populations and present channel assignments, and in view of the fact that Moline is located immediately adjacent to East Moline we were proposing assignment of the channel to either of the latter two communities.[2]

5. Petitioner points out in his supporting comments that there is a significantly greater need for an FM assignment at East Moline than there is in Moline. It states that there is only one daytime-only AM station (WDLM) and no FM outlet and that by way of contrast, there are an AM and an FM station in Moline. Moreover, it avers that there is a clear disparity in FM assignments to the various Quad Cities, since each of the other Quad Cities (Davenport, Rock Island and Moline) has at least one FM assignment and East Moline has none. Petitioner contends that a separate FM assignment in East Moline would be a definite plus factor and would increase the stature of the community and could well stimulate additional economic growth. It states that it intends to apply for the channel if assigned, and, if authorized, will promptly build the station.

6. The Moody Bible Institute (Moody), in its supporting comments, states that it would be inequitable to deprive East Moline of a single FM channel in order to assign a third channel to Davenport, or a second channel to Rock Island or to Moline. It contends that if Channel 267 were assigned to Davenport, Rock Island, or Moline, an East Moline applicant for this channel would have to compete with other applicants for this frequency who may specify the larger community of the assignment as their station location, whereas if the assignment is made to East Moline, applicants cannot specify Davenport, Rock Island or Moline as their station's location. Moody states that if the assignment is made to East Moline, it intends to file an application for a construction permit and if such permit is granted, it will promptly build the station.

7. We have given careful consideration to the proposal and comments filed in this proceeding, and believe that Channel 267 should be assigned to East Moline, Illinois. An interest has been shown for its use in East Moline whereas no interest has been shown in having it assigned to Moline or to any other community. The assignment of Channel 267 to East Moline would be in the public interest because it would provide for a first local FM service to a community of 20,832 persons. Further, since the preclusionary effect of the proposed assignment is limited to Channel 267 and the use of the channel is confined to a small area northeast of East Moline, this assignment would result in the efficient use of FM frequencies.

8. Authority for the adoption of the amendment contained herein appears in sections 4(i), 303, and 307(b) of the Communications Act of 1934, as amended.

9. In view of the foregoing, *It is ordered*, That effective October 23, 1973, § 73.202(b) of the Commission's rules, the FM Table of Assignments is amended to read as follows:

City:	*Channel No.*
East Moline, Illinois	267

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

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

Adopted September 6, 1973.

Released September 12, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[3]
[SEAL] VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19913 Filed 9-18-73;8:45 am]

[Docket No. 19698; FCC 73-914]

PART 73—RADIO BROADCAST SERVICES

FM Broadcast Stations; Table of Assignments

In the matter of amendment of § 73.202(b), Table of Assignments, FM Broadcast Stations. (Yorktown, Virginia); RM-1941.

1. The Commission has before it the notice of proposed rulemaking adopted in this proceeding on March 2, 1973, comments filed by the proponents, the Messrs. Eacho and Swartz ("E&S"), and reply comments filed by Hampton Roads Broadcasting Corporation ("Roads") licensee of Newport News, Virginia, Stations WGH(AM) and WGH-FM.

2. Roads has opposed the E&S petition which sought Channel 231 as a first assignment for Yorktown, Virginia, even before the Commission issued its notice of proposed rulemaking. One of the issues raised by Roads was resolved by the Commission when it adopted the Notice; others were deferred for later resolution. The issue that was resolved was the contention by Roads that Yorktown was not a community within the meaning of our rules. We held otherwise, finding that it had the requisite community of interests on the part of an identifiable population grouping. E&S have provided further support for this conclusion in their comments, and even Roads apparently has acquiesced in this view to which we continue to adhere.

3. E&S had submitted sufficient data to allay our concern on the matter of preclusionary effect stemming from the proposed assignment, so that question is no longer before us. What remains before us are a series of questions relating to the assigning of a Class B channel to Yorktown in the absence of a Class A channel to use instead. As we pointed out in the notice, where the facts of the case

[1] All population figures cited are from the 1970 U.S. Census unless otherwise specified.

[2] The notice set forth information furnished by petitioner concerning the economy, government, and other aspects of East Moline which will not be repeated here.

[3] Commissioner Robert E. Lee absent.

warrant, we have assigned Class B channels to various smaller communities even though such was not our usual practice. To help us evaluate the situation presented by the case, we called for more data on the approximate boundaries of Yorktown, as well as its population. From the information we have received it appears that Yorktown is generally considered to encompass the Grafton and Nelson census districts, with a total population of 14,593. In a number of cases we have made Class B assignments to communities in Virginia smaller than Yorktown, and in fact in two cases have provided two channels each to communities of Yorktown's size. Here, a Class A channel is unavailable to bring Yorktown a first local service, a matter of high priority, so that this channel represents Yorktown's only possible channel. Further support for making the assignment is found in the fact that it would make it possible to bring a first FM service to 5,371 persons and a second FM service to 7,628 additional persons.[1]

4. Roads questions the need for a local service in Yorktown, alleging that various area stations cover matters of local interest. Such coverage is not a substitute for a local transmission service, as a station whose principal obligation is to serve another community cannot be expected to provide the same service as would a local station. At most, the attention to Yorktown's needs by outside stations could indicate that the need for a local station was somewhat reduced; it does not provide any basis in itself for finding that the assignment should not be made. Finally, Roads questions the ability of the area to support a station unless it tapped advertising support from outside the county. Needless to say, there is never a guarantee that a station would be able to turn a profit or be able to survive, but that is not the question before us. E&S are willing to undertake the risk and nothing now before us suggests that Yorktown and the rest of the coverage area could not provide enough advertising support to sustain a station. There is nothing improper about obtaining advertising from outside the principal community, and if Roads is suggesting a detrimental impact on its own operation, it has failed to provide a meaningful basis for concern.

5. From the information before us, we have concluded that the public interest would be served by making the proposed assignment. From all indications, the assignment would have no significant negative impact. It would bring about important benefits by providing a first local service to a community of some size[2] and by providing significant numbers of people a first or second FM service.

6. Accordingly, *It is ordered*, That pursuant to authority found in sections 4(i), 303, and 307(b) of the Communications Act of 1934, as amended, the FM Table of Assignments (§ 73.202(b) of the Commission's rules and regulations) is amended effective October 23, 1973, insofar as the community named below is concerned, to read as follows:

City:	*Channel No.*
Yorktown, Virginia	231

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

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

Adopted September 6, 1973.

Released September 11, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[4]
[SEAL] VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19915 Filed 9-18-73;8:45 am]

[Docket No. 19718; FCC 73-913]

PART 73—RADIO BROADCAST SERVICES

Television Broadcast Stations; Table of Assignments

In the matter of amendment of § 73.606(b), Table of Assignments, Television Broadcast Stations. (Ann Arbor, Flint, Mount Clemens, Port Huron, and Saginaw, Michigan); RM-1854.

1. The Commission here considers the notice of proposed rulemaking in this docket, adopted April 4, 1973 (FCC 73-368; 38 FR 9315), proposing amendment of the TV Table of Assignments (§ 73.606 (b) of the Commission's rules and regulations) as concerns Ann Arbor and other communities in Michigan.

2. The notice was based on the petition of Wolverine-Morningstar Broadcasting, Inc. (Wolverine-Morningstar), seeking the assignment of a first commercial television channel to Ann Arbor, Michigan. The notice described Wolverine-Morningstar,[3] and adduced certain basic information. Ann Arbor has a population of 99,797,[5] and it is the seat of Washtenaw County, population 234,133 (which constitutes the Ann Arbor Standard Metropolitan Statistical Area). Wolverine-Morningstar indicated that it would promptly file an application for a construction permit if the channel was assigned, and it affirmed this intention in its comments. The petitioner had asserted that while service was received from six television stations (five Detroit and one at Windsor), it felt that Ann Arbor merits a commercial channel of its own.[6] We need not repeat other information.

3. As the notice stated, the Wolverine-Morningstar proposal was altered because of a conflict with a major reallocation plan for lower Ontario submitted by Canada for Commission approval on March 6, 1973. In the circumstances, the Commission proposed to assign Channel 31 to Ann Arbor in lieu of the original proposal, and this required changes elsewhere. As particularly relevant, Channel 31 must operate from a transmitter site at least 18 miles west-northwest of the Ann Arbor reference point to meet mileage separations to stations and assignments and a station with a transmitter so situated may provide Ann Arbor with the requisite principal community signal (§ 73.685(a)). However, Wolverine-Morningstar's original proposal had the same limitation and, as already noted, it has affirmed its willingness to proceed to apply for the channel if assigned.

4. The parties commenting are the petitioner, Wolverine-Morningstar; Rust Craft Broadcasting Company (Rust Craft), licensee of Station WEYI-TV, operating on Saginaw Channel 25 with identification as Saginaw-Flint-Bay City, Michigan; and the Association of Maximum Service Telecasters, Inc. (AMST). As already noted, Wolverine-Morningstar supports the assignment and represents that if it is made it will promptly seek authority to construct and operate a commercial broadcast station on Channel 31.

5. Both AMST and Rust Craft oppose the petition. AMST's objections concern two matters. Its first objection is a general one bottomed on short spacing of Channel 31 from the Ann Arbor reference point to the transmitter sites of Stations WDHO-TV, Channel 24, Toledo, Ohio (13 miles), and WGTE-TV, Channel 30, Toledo, Ohio (8.9 miles) and to the reference points for Channel 38 at Mount Clemens, Michigan (10.9 miles), and Channel 32 at Windsor, Ontario (9.5 miles). AMST, however, recognizes that these short spacings are not material considering the fact that the transmitter site for Channel 31 at Ann Arbor must be 18 miles west-northwest of the reference point and, thus, all the spacings would be met. The other AMST objection concerns the short spacing from Station WEYI-TV to the proposed Channel *28 assignment at Flint. Since this also serves as the basis for Rust Craft's objection, we discuss the two together in Para. 6.

6. Both Rust Craft and AMST point out that the Flint reference point is only about 14 miles from the new transmitter site of Station WEYI-TV, while our rules (§§ 73.610 and 73.698) require a 20 mile spacing to protect against harmful intermodulation interference. In this respect, it appears that Channel *28 could be located in a substantial area southeast of Flint and, thus, there would appear to be no problem. AMST, in anticipation of this fact, states that it is not sufficient to merely show that there is an area where a transmitter may be located consistent with mileage requirements and that a showing must be made of specific availability taking into account zoning, FAA considerations, economic

[1] These figures were obtained from Commission study of the situation and not from the E&S showing that listed a higher figure for first service.

[2] Even though the transmitter would have to be located about 11 miles north of Yorktown, the station would still be able to provide city-grade coverage to the community.

[4] Commissioner Robert E. Lee absent.

[3] It is a Michigan corporation, consisting of nine stockholders seven of whom reside in Ann Arbor and represent a cross-section of economic, social, and civic life of that community and the area.

[5] All population information is from the 1970 Census unless otherwise stated.

[6] Channel *58 is already assigned to that community.

factors including coverage, topography, and the area to be served.

7. The Commission in proposing Channel *28 at Flint was cognizant of the potential interference to Station WEYI-TV if a station were located near the Flint reference point. However, it is evident that there is a large area within which a transmitter site for operation on Channel *28 could be selected which meets all spacing requirements. In the circumstances, we do not feel that the matter is of as great a concern as AMST wishes us to believe. Our examination shows site availability as near as six miles to Flint and others toward Pontiac.[4] In our view, the appropriate balance of interests require the assignment of Channel 31 to Ann Arbor and making the other changes in the other communities in Michigan accordingly. Accordingly, we find that the public interest, convenience and necessity would be served by assigning Channel 31 to Ann Arbor, substituting Channel *28 for *31 at Flint, and making changes in assignments at Mount Clemens, Port Huron, and Saginaw. All the changes are of bare assignments.

8. Authority for this action taken here is found in sections 4(i), 303 (g) and (r), and 307(b) of the Communications Act of 1934, as amended.

9. Accordingly *It is ordered*, That the Television Table of Assignments (§ 73.606 (b) of the Commission's rules and regulations) is amended effective October 23, 1973, as concerns the following communities in Michigan:

City:	Channel No.
Ann Arbor, Michigan	31+, *58+
Flint, Michigan	12—, *28—, 66—
Mount Clemens, Michigan	38+
Port Huron, Michigan	46+
Saginaw, Michigan	25—, 45—

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

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

Adopted September 6, 1973.

Released September 12, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[5]

[SEAL] VINCENT J. MULLINS, *Acting Secretary.*

[FR Doc.73-19914 Filed 9-18-73;8:45 am]

Title 49—Transportation

CHAPTER X—INTERSTATE COMMERCE COMMISSION

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

PART 1003—LIST OF FORMS

PART 1134—CONTROL OR CONSOLIDATION OF MOTOR CARRIERS OR THEIR PROPERTIES

Application for Temporary Authority

Order.—At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 9th day of March 1973.

Pursuant to section 210(c) of the Interstate Commerce Act, and good cause appearing therefor, the use of a new form for application for temporary operation of motor carriers pursuant to section 210a(b) being under consideration:

It is ordered, That application Form BMC-46 be, and it is hereby, vacated and revoked.

It is further ordered, That application for temporary operation of motor carriers, Form OP-F 46 (49 CFR 1003.1), be, and it is hereby, prescribed and approved.

It is further ordered, That 49 CFR 1003.1 be, and it is hereby, amended by revoking all references to Form BMC-46, and replacing said matter with the following:

§ 1003.1 Motor Carrier and Broker Forms OP-F 46.

Application for Approval under section 210a(b), Interstate Commerce Act, of the Temporary Operation of Motor-Carrier Properties sought to be Acquired under Separately filed Applications under section 5 or of Transfers of Motor-Carrier Certificates and Permits under section 212(b).

It is further ordered, That in view of the action taken above, 49 CFR 1134.6 (a) be, and it is hereby, amended by revoking all references to Form BMC-46 and replacing it with OP-F 46.

It is further ordered, That this order shall become effective September 23, 1973.

And it is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission, Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19940 Filed 9-18-73;8:45 am]

PART 1003—LIST OF FORMS

PART 1140—EXTENSIONS OF OPERATIONS

Applications for Water Carrier Authority

Order.—At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 7th day of February 1973.

Pursuant to section 309 of the Interstate Commerce Act, and good cause appearing therefor, the use of a new form for application for water carrier certificates or permits being under consideration:

It is ordered, That application Forms B.W.C. 3, and B.W.C. 7 be, and they are hereby, vacated and revoked.

It is further ordered, That application for water carrier certificate or permit, Form OP-WC-20 (49 CFR 1003.2), be, and it is hereby, prescribed and approved.

It is further ordered, That 49 CFR 1003.2 be, and it is hereby, amended by revoking all references to forms B.W.C. 3 and B.W.C. 7, and replacing said matters with the following:

§ 1003.2 Water Carrier Application Forms OP-WC-20.

Applications under section 309 of the Interstate Commerce Act for Certificates of Public Convenience and Necessity and for Permits to operate as water carriers of passengers or property.

It is further ordered, That in view of the action taken above, 49 CFR 1140.1 (c) be, and it is hereby, revoked.

It is further ordered, That this order shall become effective September 23, 1973.

And it is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission, Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19938 Filed 9-18-73;8:45 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

Sand Lake National Wildlife Refuge; South Dakota

The following special regulation is issued and is effective September 19, 1973.

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

SOUTH DAKOTA

SAND LAKE NATIONAL WILDLIFE REFUGE

Public hunting of waterfowl on the Sand Lake National Wildlife Refuge is permitted only on the areas designated by signs as open to hunting. These open areas, totaling 165 acres, are designated on a map available from the refuge headquarters and from the Area Manager, Bureau of Sport Fisheries and Wildlife, P.O. Box 250, Pierre, South Dakota 57501.

Hunting shall be in accordance with all applicable State regulations concerning the hunting of waterfowl subject to the following conditions:

(1) The open season for hunting geese on the refuge is from October 6, 1973, through December 2, 1973, inclusive. The open season for hunting ducks and coots on the refuge is from October 6, 1973, through December 4, 1973, inclusive.

(2) Hunting will be from established blind sites only, without cost, with each site restricted to not to exceed two hunters, and on a first-come, first-served basis. Blind sites and their use are more specifically described on a map and a list of regulations available at each of the hunting sites.

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.

[4] The area of availability centers on a point roughly midway between Ann Arbor and Pontiac and covers at least 250 square miles.

[5] Commissioner Robert E. Lee absent.

and are effective through December 4, 1973.

LOUIS S. SWENSON,
Refuge Manager, Sand Lake National Wildlife Refuge.

SEPTEMBER 10, 1973.

[FR Doc.73-19854 Filed 9-18-73;8:45 am]

Title 15—Commerce and Foreign Trade

CHAPTER III—DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION, DEPARTMENT OF COMMERCE

SUBCHAPTER B—EXPORT REGULATIONS

[13th Gen. Rev., Export Regs.]

PART 377—SHORT SUPPLY CONTROLS

Ferrous Scrap

The FEDERAL REGISTER issuance of July 2, 1973, announced a policy of licensing exports of ferrous scrap against accepted orders for less than 500 short tons, regardless of the date on which such an order was accepted. The purpose of this Bulletin is to suspend (except in the case of stainless steel scrap (Schedule B No. 282.0060)) licensing against such orders in the case of applications which were received in the Office of Export Control after September 10, 1973. Applications received after that time will be returned to the applicant without action.

This action has been taken because of a substantial increase in licensing activity for orders of less than 500 short tons. At the time the licensing controls were imposed, exporters were placed on notice that "in the event the volume of exports under this licensing procedure reaches an unacceptable level, further restrictions may be imposed on exports against orders of less than 500 short tons."

Licensing policy for exports in October of ferrous scrap, covering orders of 500 short tons or more, as well as those of less than 500 short tons, will be announced in a forthcoming Export Control Bulletin.

Accordingly, paragraph (c) of § 377.4 of the Export Control Regulations is revised to read as follows:

§ 377.4 Ferrous scrap.

* * * * *

(c) *Licensing system against orders of less than 500 short tons.* An application for a license to export ferrous scrap against an accepted order for less than 500 short tons, which is submitted on Forms FC-419 and FC-420, will be considered by the Office of Export Control, irrespective of the date on which the order was accepted, if accompanied by a photocopy or certified copy of the contract of sale for export to a foreign buyer, and a sworn affidavit by the applicant as to the amount previously exported against each such contract, if any. Provided, however, that applications for licenses to export ferrous scrap other than stainless steel scrap (Schedule B No. 282.0060) will not be processed, if received in the Office of Export Control after September 10, 1973. The copy of the contract will serve in lieu of Form FC-842, Single Transaction Statement by Consignee and Purchaser, that would be otherwise required pursuant to § 375.2 of this chapter. After verification of the authenticity of the documentation submitted by the applicant, a license will be issued for export during the month specified in the contract for the total amount of the contract or the unfilled balance, whichever is the lesser amount. Such licenses shall expire 30 days after the date of issuance. Any cancellation of the contract automatically revokes the license that was issued against it. In the event of the cancellation of a contract, the applicant shall file a report of such cancellation with the Office of Export Control no later than five days from the date of cancellation. If a license has been issued against such a contract, the license shall be returned to the Office of Export Control with the notice of cancellation.

* * * * *

Effective date of action.—September 12, 1973.

RAUER H. MEYER,
Director, Office of Export Control.

[FR Doc.73-20066 Filed 9-18-73;8:45 am]

Proposed Rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rulemaking prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 46]

LICENSE FEES

Notice of Proposed Rule Making

Notice is hereby given that the United States Department of Agriculture is considering a revision of § 46.6 of the regulations (other than rules of practice) (7 CFR 46.1–46.44) effective under the Perishable Agricultural Commodities Act, 1930 (46 Stat. 531, et seq., as amended; 7 U.S.C. 499a et seq.).

Statement of considerations leading to the proposed revision. This Act is designed to prevent unfair and fraudulent practices of persons engaged in the business of marketing fresh or frozen fruits and vegetables or cherries in brine in interstate or foreign commerce. All persons engaged in business subject to the Act are required to be licensed.

The cost of administering this Act, except for the cost of legal services, is financed entirely by the annual license fees. The Act authorizes the Secretary of Agriculture to fix the license fee at such amount, not to exceed $100, as he deems necessary to meet reasonably anticipated expenses for administering the Act.

The source of funds for administering the Act has been shrinking steadily for more than a decade due to the decline in the number of firms handling fruits and vegetables subject to the Act. For example, the number of produce firms licensed under the Act declined from an all-time high of over 27,000 in 1956 to 16,878 on July 1, 1973. Mergers and acquisitions have been common among produce firms of all sizes, and have been one of the major factors attributing to this decline in the number of firms licensed under the Act. This trend is expected to continue.

The caseload of complaints handled under the Act, however, has remained relatively stable, while operating costs have increased, even though there has been no increase in the number of employees engaged in the administration of the Act.

The steady decline of the number of firms operating subject to the Act, and the gradually increasing operating costs has resulted in depleting the PACA Fund.

Because the present license fee of $75 per year is not producing sufficient revenue to meet current administrative expenses, it is proposed, in order to assure continued effective administration of the Act, to increase the annual license fee to $100, effective January 1, 1974.

All persons who desire to submit written data, views, or comments concerning the proposed increase in the fee should file the same in duplicate, with the Hearing Clerk, Room 112, Administration Building, U.S. Department of Agriculture, Washington, DC 20250, not later than November 1, 1973. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The proposed revision of § 46.6 reads as follows:

§ 46.6 License fee.

The annual license fee is one hundred dollars ($100). The Director may require the fee be submitted in the form of a money order, bank draft, cashier's check or certified check made payable to Agricultural Marketing Service. Authorized representatives of the Division may accept fees and issue receipts therefor.

Done at Washington, DC, this 17th day of September 1973.

JOHN C. BLUM,
Deputy Administrator, Regulatory Programs, Agricultural Marketing Service.

[FR Doc.73-20047 Filed 9-18-73;8:45 am]

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[29 CFR Part 1910]

STANDARD FOR OCCUPATIONAL EXPOSURE TO COKE OVEN EMISSIONS

Notice of Proposed Rulemaking

The National Institute for Occupational Safety and Health (NIOSH), U.S. Department of Health, Education, and Welfare has submitted to the Secretary of Labor, pursuant to the Williams-Steiger Occupational Safety and Health Act of 1970, criteria for a recommended standard on the occupational exposure to coke oven emissions. The Office of Standards, Occupational Safety and Health Administration, U.S. Department of Labor is studying the criteria and would appreciate public participation on the issues of whether a new standard for coke oven emissions should be issued on the basis of the criteria or any other information, and, if so, what should be the contents of a proposed standard for coke oven emissions. The issues are set forth with greater particularity below.

Accordingly, interested persons are invited to submit written data, views and arguments concerning a standard on occupational exposure to coke oven emissions. Comments are specifically requested concerning:

(1) Whether a new standard on occupational exposure to coke oven emissions should be issued;

(2) Each section of the standard recommended by NIOSH;

(3) Suitable alternatives to the recommendations of NIOSH;

(4) Work injury and illness experience with coke oven emissions;

(5) Supported cost data of the estimated costs of coming into compliance with the standard recommended by NIOSH;

(6) Supported data on any possible environmental impact of the recommended standard, and specifically (a) any adverse environmental effects which cannot be avoided should the standard be adopted, (b) alternatives to such standard, (c) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and (d) any irreversible commitments of resources which would be involved if the standard should be implemented; and

(7) Any other related issues.

Communications should be submitted to the Office of Standards, Occupational Safety and Health Administration, U.S. Department of Labor, Room 504 Railway Labor Building, 400 First Street, NW., Washington, D.C. 20210, before November 19, 1973. The communications will be available for public inspection and copying at the Office of Standards.

The NIOSH document containing the criteria and the recommended standard on occupational exposure to coke oven emissions will be available for inspection and copying, upon request, at the Office of Standards in Washington, D.C. and at any of the following regional or area offices.

REGIONAL OFFICES

U.S. Department of Labor
Occupational Safety and Health Administration
Fourth Floor
18 Oliver Street
Boston, Massachusetts 02110

U.S. Department of Labor
Occupational Safety and Health Administration
Gateway Building
3535 Market Street, Room 15220
Philadelphia, Pennsylvania 19104

U.S. Department of Labor
Occupational Safety and Health Administration
300 South Wacker Drive
Room 1201
Chicago, Illinois 60606

U.S. Department of Labor
Occupational Safety and Health Administration
823 Walnut Street
Waltower Building—Room 300
Kansas City, Missouri 64106

U.S. Department of Labor
Occupational Safety and Health Administration
9497 Federal Building
450 Golden Gate Avenue
Box 36017
San Francisco, California 94102

U.S. Department of Labor
Occupational Safety and Health Administration
1515 Broadway
1 Astor Plaza
New York, New York 10036

U.S. Department of Labor
Occupational Safety and Health Administration
1375 Peachtree Street, N.E.
Suite 587
Atlanta, Georgia 30309

U.S. Department of Labor
Occupational Safety and Health Administration
7th Floor—Texaco Building
1512 Commerce Street
Dallas, Texas 75201

U.S. Department of Labor
Occupational Safety and Health Administration
Federal Building—Room 15010
P.O. Box 3588, 1961 Stout Street
Denver, Colorado 80202

U.S. Department of Labor
Occupational Safety and Health Administration
506 Second Avenue
1808 Smith Tower Building
Seattle, Washington 98104

U.S. Department of Labor
Occupational Safety and Health Administration
Room 203—Midtown Plaza
700 East Water Street
Syracuse, New York 13210

U.S. Department of Labor
Occupational Safety and Health Administration
Federal Office Building
970 Broad Street—Room 1435C
Newark, New Jersey 07102

U.S. Department of Labor
Occupational Safety and Health Administration
370 Old Country Road
Garden City, Long Island, New York 11530

U.S. Department of Labor
Occupational Safety and Health Administration
Condominium San Alberto Building
Santurce, Puerto Rico 00907

U.S. Department of Labor
Occupational Safety and Health Administration
William J. Green, Jr. Federal Bldg.
600 Arch Street
Philadelphia, Pennsylvania 19106

U.S. Department of Labor
Occupational Safety and Health Administration
Charleston National Plaza
Suite 1726
700 Virginia Street
Charleston, West Virginia 25301

U.S. Department of Labor
Occupational Safety and Health Administration
Federal Building—Room 8081
400 N. 8th Street, P.O. Box 10186
Richmond, Virginia 23240

U.S. Department of Labor
Occupational Safety and Health Administration
Room 802—Jonnet Building
4099 William Penn Highway
Monroeville, Pennsylvania 15146

U.S. Department of Labor
Occupational Safety and Health Administration
1371 Peachtree Street, N.E.
Room 723
Atlanta, Georgia 30309

U.S. Department of Labor
Occupational Safety and Health Administration
Room 204—Bridge Building
Fort Lauderdale, Florida 33308

U.S. Department of Labor
Occupational Safety and Health Administration
2809 Art Museum Drive, Suite 4
Jacksonville, Florida 32207

U.S. Department of Labor
Occupational Safety and Health Administration
Room 561—600 Federal Building
Louisville, Kentucky 40202

U.S. Department of Labor
Occupational Safety and Health Administration
Commerce Building—Room 801
118 North Royal Street
Mobile, Alabama 36602

U.S. Department of Labor
Occupational Safety and Health Administration
1361 East Morehead Street
Charlotte, North Carolina 28204

U.S. Department of Labor
Occupational Safety and Health Administration
Federal Building—Room 1110A
31 Hopkins Plaza
Baltimore, Maryland 21201

U.S. Department of Labor
Occupational Safety and Health Administration
Todd Mall, 2047 Canyon Road
Birmingham, Alabama 35216

U.S. Department of Labor
Occupational Safety and Health Administration
300 South Wacker Drive
Chicago, Illinois 60606

U.S. Department of Labor
Occupational Safety and Health Administration
Room 224—Bryson Building
700 Bryden Road
Columbus, Ohio 43215

U.S. Department of Labor
Occupational Safety and Health Administration
Clark Building—Room 400
633 West Wisconsin Avenue
Milwaukee, Wisconsin 53203

U.S. Department of Labor
Occupational Safety and Health Administration
U.S. Post Office and Courthouse
Room 423
46 East Ohio Street
Indianapolis, Indiana 46204

U.S. Department of Labor
Occupational Safety and Health Administration
847 Federal Office Building
1240 East Ninth Street
Cleveland, Ohio 44199

U.S. Department of Labor
Occupational Safety and Health Administration
1600 Hayes Street—Suite 302
Nashville, Tennessee 37203

U.S. Department of Labor
Occupational Safety and Health Administration
Michigan Theatre Building, Room 626
220 Bagley Avenue
Detroit, Michigan 48226

U.S. Department of Labor
Occupational Safety and Health Administration
Room 5522, Federal Office Building
550 Main Street
Cincinnati, Ohio 45202

U.S. Department of Labor
Occupational Safety and Health Administration
Room 734, Federal Office Building
234 N. Summit Street
Toledo, Ohio 43604

U.S. Department of Labor
Occupational Safety and Health Administration
Adolphus Tower—Suite 1820
1412 Main Street
Dallas, Texas 75202

U.S. Department of Labor
Occupational Safety and Health Administration
Room 421, Federal Building
1205 Texas Avenue
Lubbock, Texas 79401

U.S. Department of Labor
Occupational Safety and Health Administration
Room 512—Petroleum Building
420 South Boulder
Tulsa, Oklahoma 74103

U.S. Department of Labor
Occupational Safety and Health Administration
307 Central National Bank Building
Houston, Texas 77002

U.S. Department of Labor
Occupational Safety and Health Administration
546 Carondelet Street—4th Floor
New Orleans, Louisiana 70130

U.S. Department of Labor
Occupational Safety and Health Administration
1627 Main Street
Room 1100
Kansas City, Missouri 64108

U.S. Department of Labor
Occupational Safety and Health Administration
210 North 12th Boulevard
Room 554
St. Louis, Missouri 63101

U.S. Department of Labor
Occupational Safety and Health Administration
City National Bank Building
Room 803
Harney and 16th Streets
Omaha, Nebraska 68101

U.S. Department of Labor
Occupational Safety and Health Administration
333 Queen Street—Suite 505
Honolulu, Hawaii 05913

U.S. Department of Labor
Occupational Safety and Health Administration
Hartwell Building, Room 514
19 Pine Avenue
Long Beach, California 90802

U.S. Department of Labor
Occupational Safety and Health Administration
Squire Plaza Building
8527 W. Colfax Avenue
Lakewood, Colorado 80215

U.S. Department of Labor
Occupational Safety and Health Administration
Suite 309
Executive Building
455 East 4th South
Salt Lake City, Utah 84111

U.S. Department of Labor
Occupational Safety and Health Administration
Suite 525—Petroleum Building
2812 1st Avenue North
Billings, Montana 59101

U.S. Department of Labor
Occupational Safety and Health Administration
100 McAllister Street, Room 1706
San Francisco, California 94102

U.S. Department of Labor
Occupational Safety and Health Administration
Suite 318—Amerco Towers
2721 North Central Avenue
Phoenix, Arizona 85004

U.S. Department of Labor
Occupational Safety and Health Administration
1203 South Carson Street
Carson City, Nevada 89701

U.S. Department of Labor
Occupational Safety and Health Administration
121—107th Street, N.E.
Bellevue, Washington 98004

U.S. Department of Labor
Occupational Safety and Health Administration
Federal Building, Room 227
605 West 4th Avenue
Anchorage, Alaska 99501

U.S. Department of Labor
Occupational Safety and Health Administration
Room 526 Pittock Block
921 S.W. Washington Street
Portland, Oregon 97205

NATIONAL OFFICE

U.S. Department of Labor
Occupational Safety and Health Administration
Office of Standards
Room 507—Railway Labor Building
400 First Street, N.W.
Washington, D.C. 20210

and they will be available for inspection at the national and regional offices of the U.S. Department of Health, Education, and Welfare, National Institute for Occupational Safety and Health, at the following addresses:

U.S. Department of HEW
National Institute for Occupational Safety & Health
Room 10-A-22
5600 Fishers Lane
Rockville, Maryland 20852

U.S. Department of HEW
National Institute for Occupational Safety & Health
1100 Commerce Street, Room 8-C-53
Dallas, Texas 75202

U.S. Department of HEW
National Institute for Occupational Safety & Health
401 North Broad Street
Philadelphia, Pennsylvania 19108

U.S. Department of HEW
National Institute for Occupational Safety & Health
9017 Federal Building
19th and Stout Streets
Denver, Colorado 80202

U.S. Department of HEW
National Institute for Occupational Safety & Health
John F. Kennedy Federal Building
Government Center
Boston, Massachusetts 02203

U.S. Department of HEW
National Institute for Occupational Safety & Health
26 Federal Plaza
New York, New York 10007

U.S. Department of HEW
National Institute for Occupational Safety & Health
601 East 12th Street
Kansas City, Missouri 64106

U.S. Department of HEW
National Institute for Occupational Safety & Health
254 Federal Office Building
50 Fulton Street
San Francisco, California 94102

U.S. Department of HEW
National Institute for Occupational Safety & Health
50 Seventh Street, N.E.
Atlanta, Georgia 30323

U.S. Department of HEW
National Institute for Occupational Safety & Health
Arcade Building—1321 Second Street
Seattle, Washington 98101

U.S. Department of HEW
National Institute for Occupational Safety & Health
300 South Wacker Drive
Chicago, Illinois 60607

Finally, copies of the NIOSH document may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

This advance notice of proposed rulemaking is issued under section 6 of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1593 (29 U.S.C. 655)) and Secretary of Labor's Order No. 12-71 (36 FR 8754).

Signed at Washington, D.C., this 13th day of September, 1973.

JOHN H. STENDER,
Assistant Secretary of Labor.

[FR Doc.73-19924 Filed 9-18-73;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

[40 CFR Part 120]

NAVIGABLE WATERS OF STATE OF WEST VIRGINIA

Proposed Water Quality Standards

Notice is hereby given that pursuant to the authority of section 303(b) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251, 1313(b); 86 Stat. 816 et seq.; Pub. L. 92-500) (the Act), regulations setting forth standards of water quality to be applicable to the navigable waters of the State of West Virginia are proposed.

Under section 303(a) of the Act, the Administrator of the Environmental Protection Agency is required to review water quality standards for interstate and intrastate waters adopted and submitted by the States. When he determines that changes in such standards are required to meet the requirements of the Act as in effect prior to October 18, 1972 (the date of enactment of the 1972 Amendments to the Act, Pub. L. 92-500), he must notify the State. If the State does not adopt the required revisions, or if the revisions submitted by the State do not meet the requirements of the Act, the Administrator is to publish proposed revised water quality standards in accordance with such requirements.

The State of West Virginia, prior to October 18, 1972, adopted water quality standards for both interstate and intrastate waters. After the enactment of the 1972 Amendments, EPA reviewed both the interstate and intrastate standards pursuant to section 303(a) of the Act. (A notice concerning EPA review of all interstate and intrastate water quality standards was published in the FEDERAL REGISTER on December 29, 1972, 37 FR 28775-28780). The interstate standards for West Virginia are identified in 40 CFR Part 120 (37 FR 6087, March 24, 1972). The intrastate standards are contained in the same document which sets forth the standards for interstate waters. The standards document is available for inspection and copying at the West Virginia Department of Natural Resources, Division of Water Resources, 1201 Greenbriar Street, Charleston, West Virginia 25311 and the EPA Regional Office, Curtis Building, 6th and Walnut Streets, Philadelphia, Pennsylvania 19106. EPA's information regulations, 40 CFR Part 2, provide that a fee may be charged for making copies.

On January 18, 1973, the Regional Administrator notified West Virginia that certain revisions to its interstate water quality standards were necessary to make the standards consistent with the applicable requirements of the Act. On March 8, 1973, a similar notification was made for intrastate water quality standards. The State has not formally submitted the required revisions within the 90-day period allowed by sections 303(a)(1) and 303(a)(2) of the Act. Accordingly, pursuant to section 303(b)(1), EPA is now proposing regulations setting forth standards required to comply with the Act as in effect prior to October 18, 1972.

Section 303(b)(2) of the Act requires the Administrator to promulgate standards no later than 190 days after the date of publication of this notice, unless by such time the State shall have adopted a water quality standard which the Administrator determines to be in accordance with the requirements of section 303(a) of the Act. However, the Administrator is not required to await State action for the entire 190 day period prior to promulgation. Thus, these standards may be promulgated by the Administrator at any time following the expiration of time for public comment.

Except as provided in the attached proposed regulations, the interstate and intrastate standards previously adopted by the State of West Virginia, as referenced above, are the effective water quality standards under section 303 of the Act for interstate and intrastate navigable waters within that State. Where the

proposed regulations set forth below are inconsistent with the referenced standards, these regulations, if promulgated, will supersede such standards to the extent of the inconsistency.

Interested persons may submit written data, views, or arguments, in triplicate, in regard to the proposed regulations to the Regional Administrator, Curtis Building, 6th and Walnut Streets, Philadelphia, Pennsylvania, 19106. All relevant material received on or before December 18, 1973, will be considered.

Dated September 12, 1973.

JOHN QUARLES,
Acting Administrator.

The regulations in Chapter I of Title 40, Code of Federal Regulations, are amended as follows:

§ 120.12 West Virginia water quality standards.

(a) Uses. The assigned uses for West Virginia navigable waters will be the "future" uses designated in Chapter 20, Articles 5 and 5A, Code of West Virginia.

Zone Two of the Kanawha River will have an assigned use of Category C, Propagation of Fish and Other Aquatic Life. The Youghiogheny River and its tributaries will have an assigned use of Category C, Propagation of Fish and Other Aquatic Life.

(b) Stream flow. Water quality criteria shall apply in Zone One of the main stem of the Kanawha River whenever stream flow is greater than or equal to 1,800 c.f.s. at the Kanawha Falls gauge. This flow is considered the modified minimum mean 7-consecutive-day drought flow with a 10-year return frequency due to existing water control projects in the Kanawha Basin.

Water quality criteria shall apply in Zone Two of the main stem of the Kanawha River whenever stream flow is greater than or equal to 1,930 c.f.s. at the Charleston gauge. This flow is considered the modified minimum mean 7-consecutive-day drought flow with a 10-year return frequency due to existing water control projects in the Kanawha basin.

(c) Temperature. For all bodies of water temperature rise shall be limited to 5° F above natural in addition to other maximums.

Temperature for Zone Two of the Kanawha River is not to exceed 90° F in any case.

(d) Zone Two of the Kanawha River shall have a dissolved oxygen level of no less than 5 mg/l except that dissolved oxygen may range between 5 mg/l and 4 mg/l for short periods of time under extreme conditions: *Provided*, That the water quality is favorable in all other respects.

(e) For all bodies of water in the State, the fecal coliform content (either MPN or MF count) shall not exceed 200 per 100 ml as a 30-day geometric mean based on not less than five (5) samples during any 30-day period nor exceed 400 per 100 ml in more than ten percent (10%) of all samples during any 30-day period.

(f) Definitions. "Natural" or "natural occurring" values shall mean for all of the waters of the State:

(1) Those water quality values which exist unaffected by—or unaffected as a consequence of—any water use by any person;

(2) Those water quality values which exist unaffected by the discharge, or direct or indirect deposit of, any solid, liquid or gaseous substance by any person.

(g) pH. For all bodies of water, pH shall be not less than 6.5 nor more than 8.5 except streams carrying significant quantities of acid mine drainage.

(h) Section 16—Trout Waters—is expanded to include the following streams, stream stretches, lakes, reservoirs and ponds:

Stream	*County*
Abes Run	Pocahontas.
Anglins Creek	Nicholas.
Anthony Creek	Greenbrier.
Back Fork, Elk River	Webster.
Beaver Creek	Pocahontas.
Big Bullskin Run	Jefferson.
Big Clear Creek	Greenbrier.
Big Huff Creek	Logan, Wyoming.
Big Run	Pendleton.
Big Run	Randolph.
Big Sandy Creek	Preston.
Blackwater River	Tucker.
Blaney Hollow & Morgan Run.	Monongalia.
Brushy Fork	Barbour.
Buckhannon River	Upshur.
Buffalo Creek	Preston.
Camp Branch	Hardy.
Camp Creek	Mercer.
Camp Five Run	Randolph.
Cattail Run	Jefferson.
Cherry River	Nicholas.
Clear Fork	McDowell.
Clover Run	Tucker.
Cold Stream	Hampshire.
Cranberry River	Pocahontas, Webster, Nicholas.
Cross Creek	Brooke.
Culverson Creek	Greenbrier.
Deer Creek	Nicholas.
Deer Creek	Pocahontas.
Desert Fork	Webster.
Dillons Run	Hampshire.
Dry Fork	McDowell.
Dry Fork	Randolph, Tucker.
Dumpling Run	Hardy.
East Fork, Glady Fork	Randolph.
East Fork, Greenbrier River.	Pocahontas.
East River, New River	Mercer.
Edwards Run & Pond	Hampshire.
Elklick Run	Tucker.
Elk River, Slaty Fork	Pocahontas.
Elk River (Webster Springs).	Webster.
Elk River (Whit. F)	Webster, Randolph.
Elkwater Fork	Randolph.
Elsey Run	Preston.
Evitts Run	Jefferson.
Five Mile Run	Pocahontas.
Flowing Springs Run	Jefferson.
Fall Run	Webster.
Gandy Creek	Randolph.
Gauley River (Head)	Randolph, Webster.
Glade Creek (Babcock)	Fayette.
Glade Creek, New River	Raleigh.
Glady Fork	Randolph.
Grave Creek	Marshall.
Harlan Run	Berkeley.
Hills Creek	Pocahontas.
Horseshoe Run	Tucker.
Kings Creek	Hancock.
Knapps Creek	Pocahontas.
Laurel Creek	Fayette.
Laurel Creek	Greenbrier, Nicholas.
Laurel Creek	Monroe.
Laurel Fork	Pendleton.
Laurel Fork	Randolph.
Laurel Fork	Webster.
Laurel Run	Greenbrier.
Laurel Run	Pocahontas.
Laurel Run	Preston.
Left Fork, Buckhannon River.	Upshur.
Left Fork, Holly River	Webster.
Left & Right Forks, Buckhannon River.	Randolph, Upshur.
Left & Right Forks, Little Kanawha River.	Upshur.
Little Clear Creek & Laurel Run Tributary.	Greenbrier.
Little Fork	Pendleton.
Little Kanawha River (Head).	Upshur, Lewis.
Little River (East Fork)	Pocahontas.
Little River (West Fork)	Pocahontas.
Long Marsh Run	Jefferson.
Lost River	Hardy.
Lower Cove Run	Hardy.
Marsh Fork	Raleigh.
Mash Fork	Mercer.
Maxwell Run	Tucker.
Meadow Branch	Morgan.
Meadow Creek	Greenbrier.
Meadow Creek	Summers.
Middle Creek	Berkeley.
Middle Fork River	Barbour, Randolph, Upshur.
Mill Creek (Grayson Gap).	Mineral.
Mill Creek	Fayette.
Mill Creek	Berkeley.
Mill Creek	Hampshire.
Milligan Creek	Greenbrier.
Moores Run	Hardy.
Mullenax Run	Pocahontas.
New Creek	Mineral.
North River	Hardy.
North Fork, Anthony Creek.	Greenbrier.
North Fork, Cherry River	Greenbrier, Nicholas.
North Fork, Deer Creek	Pocahontas.
North Fork, Fishing Creek Dam.	Wetzel.
North Fork, Lunice Creek	Grant.
North Fork, Patterson Creek.	Grant.
North Fork, South Branch.	Pendleton, Grant.
Opequon Creek	Berkeley, Jefferson.
Paint Creek	Fayette.
Panther Creek	McDowell.
Paw Paw Creek	Marion.
Pigeon Creek	Mercer.
Pinch Creek	Raleigh.
Pinnacle Creek	Wyoming.
Red Creek	Tucker.
Rich Creek	Monroe.
Right Fork, Buckhannon River.	Upshur, Randolph.
Right Fork, Little Kanawha River.	Webster, Upshur.
Right Fork, Middle Fork River.	Upshur.
Roaring Creek	Preston.
Rocky Marsh Run	Jefferson.
Saltlick Creek	Preston.
Seneca Creek	Pendleton.
Shavers Fork	Randolph.
Shavers Fork (Lower Section).	Randolph.
Shavers Fork (Upper Section).	Randolph, Pocahontas.
Sitlington Creek	Pocahontas.
Slip Hill Mill Run	Tucker.
South Branch (Franklin Section).	Pendleton.

Stream	County
South Branch (Smoke Hole Section).	Pendleton.
South Fork, Cherry River.	Greenbrier, Nicholas.
South Fork, Cranberry River.	Pocahontas.
South Fork, Fishing Creek.	Wetzel.
South Fork, Lunice Creek.	Grant.
South Fork, Potts Creek.	Monroe.
South Mill Creek	Grant.
Spring Creek	Greenbrier.
Spring Run	Grant.
Spruce Laurel Fork	Boone.
Stoney Creek	Pocahontas.
Sugar Creek	Webster.
Summersville Lake (Tailwaters).	Nicholas.
Sutton Lake (Tailwaters).	Braxton.
Swago Creek	Pocahontas.
Tea Creek	Pocahontas.
Three Spring Run	Randolph.
Tilhance Creek	Berkeley.
Tomlinson Run	Hancock.
Town Run or 76 Stream	Jefferson.
Trout Run	Hardy.
Turkey Creek	Monroe.
Tuscarora Creek	Berkeley.
Tygart River (Head)	Randolph.
Waites Run	Hardy.
Wayne Dam (Twelvepole Creek).	Wayne.
West Fork, Greenbrier River.	Pocahontas.
West Fork, Twelvepole Creek.	Wayne.
Wheeling Creek	Marshall, Ohio.
Whiteday Creek	Marion, Monongalia.
Wickwire Run	Taylor.
Wickwire Creek	Taylor.
Williams River	Pocahontas, Webster.
Wolf Creek	Fayette.
Wolf Creek	Preston.
Wolfpen Creek	Fayette.

Lakes and Ponds	County
Bear Rock	Ohio.
Berwind	McDowell.
Buffalo Fork	Pocahontas.
Burches	Marshall.
Cacapon	Morgan.
Castleman Run	Brooke.
Chief Logan	Logan.
Conaway	Tyler.
Coopers Rock	Monongalia.
Dents Run	Marion.
Edwards Run	Hampshire.
Fitzpatrick	Raleigh.
Fort Ashby	Mineral.
French Creek	Upshur.
Hawse Run	Pendleton.
Horse Creek	Wyoming.
Laurel	Mingo.
Little Beaver	Raleigh.
New Creek Dam 14	Grant.
Seneca	Pocahontas.
Spruce Knob	Randolph.
Summersville Reservoir	Nicholas.
Summit	Greenbrier.
Sutton Reservoir	Braxton.
Teter Creek	Barbour.
Tomlinson Run	Hancock.
Thomas Park	Tucker.
Trout Pond	Hardy.
Warden	Hardy.
Westover Park	Monongalia.

[FR Doc.73-19859 Filed 9-18-73;8:45 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 73]

[Docket No. 19811; FCC 73-912]

FM BROADCAST STATIONS

Notice of Proposed Rule Making

In the matter of amendment of § 73.202(b), Table of Assignments, FM Broadcast Stations. (Melbourne, Florida), RM-2013.

1. Notice of Proposed Rule Making is hereby given concerning proposed amendment of the FM Table of Assignments (§ 73.202(b) of the Commission's rules and regulations) with respect to the petition of Radio Melbourne, Inc. (Radio Melbourne), licensee of AM Station WMEL, Melbourne, Florida, proposing the assignment of Channel 292A as a third assignment to that community.

2. Melbourne, population 40,236,[1] is the largest community in Brevard County, population 230,006. There are presently five aural broadcast services at Melbourne; FM Stations WYRL, Channel 272A, WTAI-FM, Channel 296A, and AM Stations WTAI (daytime-only), WMEL, and WMMB.

3. Radio Melbourne, in support of its petition, contends that another FM channel assignment is necessary at Melbourne in order to meet the needs of the community. From a technical viewpoint, the assignment may be made without other changes in the FM Table of Assignments and in full compliance with all mileage separations if a transmitter site is selected 0.8 miles north of Melbourne (in order to meet spacing to the Channel 292A assignment at Avon Park) but there is no problem in providing a community-grade signal over the city. As Radio Melbourne contends, preclusion is minimal; of the four cities with over 2,500 population Vero Beach has three aural services (one FM station and 2 AM stations), and the other three are contiguous to Melbourne. Channel 288A could be assigned to Vero Beach (as proposed in Docket No. 19772 (FCC 73-642)); and, as to the other three communities, one could apply for the channel if assigned to Melbourne under the "10 mile" rule (§ 73.203(b)). In other respects, petitioner asserts that Melbourne is a thriving community with a full array of schools, businesses, government facilities, and industry, and the site of Florida Institute of Technology, Melbourne, it is claimed, is the heart of the southern part of Brevard County, an expanding area. Petitioner asserts that if the assignment is made it will promptly file an application for the channel and proceed to build and operate a station on it if the application is granted.

4. The petition is opposed by Broadcast Enterprises, Inc., the licensee of Stations WMMB and WYRL(FM), Melbourne, principally on the grounds that a third assignment to Melbourne would be a deviation from the population guideline for assigning only two FM channels to a city of 50,000 or less population. (See para. 4 of the Further Notice of Proposed Rule Making in Docket No. 14185, adopted June 25, 1962 (FCC 62-867), and incorporated by reference in para. 25 of the Third Report, Memorandum Opinion and Order (40 F.C.C. 747, 758 (1968)).)[2] Broadcast Enterprises states that this criterion has consistently been reaffirmed. Petitioner in its reply states that the population criteria are not determinative, citing our Hattiesburg decision, 37 F.C.C. 2d 54 (1972).

5. Oliva Broadcasting Company, licensee of daytime-only AM Station WIPC, Lake Wales, Florida, filed informal comments opposing the petition because of the asserted need for nighttime service at Lake Wales, population 8,240, which is located in Polk County, population 227,222. It apparently intends to petition for the reassignment of Channel 292A from Avon Park, population 6,717, which is located in Highlands County, population 29,507. Reassignment of Channel 292A from Avon Park to Lake Wales might be foreclosed by the assignment of Channel 292A to Melbourne, since the distance between the communities is 60 miles while the requisite mileage separation is 65 miles.

6. Despite the contentions of Broadcast Enterprises to the contrary, the population criteria for FM channel assignments are merely a guide with deviation permitted depending on demand and availability of an FM channel for assignment to the community; see, e.g., Fresno, 38 F.C.C. 2d 525, 526 (1972); Yakima (73-837), — F.C.C. 2d —— (1973). In this instance, there is a demand as evidenced by the petition of Radio Melbourne for a city (and county) with a rapidly increasing population[3] and from the technical viewpoint assignment of Channel 292A to Melbourne may be made without affecting the FM Table of Assignments in any other respect and with minimal preclusion. In the circumstances, we believe that the public interest, convenience, and necessity would be served by our adopting a Notice of Proposed Rule Making proposing assignment of 292A to Melbourne. While, as already noted, the proposal to assign Channel 292A to Melbourne might prohibit assignment of that same channel to Lake Wales, Oliva Broadcasting Co. has not petitioned for such a change, and we cannot presume that it will (it still may under the cut-off precodure set forth below),[4]

[1] All population information is from the 1970 Census

[2] Actually Radio Melbourne has petitioned for a "second" channel, but Melbourne has had two channels since Eau Gallie was merged with Melbourne (see Report and Order in Docket No. 19254 (FCC 71-988)).

[3] Melbourne's population increase between 1960 and 1970 was 235.8 percent and that of Brevard County was 106.4 percent.

[4] On August 15, 1973, the application of Tri-County Stereo, Inc. for a construction permit to construct on Channel 292A at Avon Park was accepted (BPH-8523).

7. In view of the foregoing and pursuant to authority found in sections 4(i), 303(g) and (r), and 307(b) of the Communications Act of 1934, as amended, it is proposed to amend § 73.202(b) of the Commission's rules and regulations, the FM Table of Assignments, as concerns Melbourne, Florida, as follows:

City	Channel No.	
	Present	Proposed
Melbourne, Fla	272A, 296A	272A, 292A, 296A

8. *Showings required.* Comments are invited upon the proposal referred to above. Radio Melbourne should affirm its intention to promptly apply for the channel if assigned and to construct if its application is granted. Failure to file comments or address the issues raised may result in dismissal.

9. *Cut-off procedure.* The following procedures will govern:

(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 herein.

10. 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 23, 1973, and reply comments on or before November 1, 1973. All submissions by parties to this proceeding, or parties acting on behalf of such parties, must be made in written comments, reply comments, or other appropriate pleadings.

11. In accordance with the provisions of § 1.419 of the rules and regulations, an original and 14 copies of all comments, reply comments, pleadings, briefs, and other documents shall be furnished the Commission. These will be available for public inspection during regular business hours in the Commission's Public Reference Room at its Headquarters, 1919 M Street, NW., Washington, D.C.

Adopted September 6, 1973.

Released September 12, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[6]

[SEAL] VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19917 Filed 9-18-73;8:45 am]

[6] Commissioner Robert E. Lee absent.

[47 CFR Part 73]

[Docket No. 19816; FCC 73-930]

EDUCATIONAL BROADCAST

Notice of Inquiry and Notice of Proposed Rulemaking

In the matter of ascertainment of community problems by educational broadcast applicants; amendment of section IV (Statement of Program Service) of FCC Broadcast Application Forms 340 and 342 (Noncommercial Educational Broadcast Applications); and formulation of rules and policies relating to the renewal of educational broadcast licenses.

1. The Commission hereby gives notice of inquiry and proposed rule making concerning its requirements and policies with respect to the ascertainment of community problems, needs and interests by educational broadcast applicants and licensees and the renewal of educational broadcast licenses.

2. In petitions for rule making (RM-1851 and RM-1874), the National Association of Black Adult Educators, the National Black American Law Student Association, the National Association of Black Students and Hollis H. Larkins, Jr. (the "Black Associations"),[1] jointly, and Sandra W. Bennett, Ph. D.,[2] individually, have requested revision of FCC Forms 340 and 342[3] to require all applicants for noncommercial educational broadcast licenses, including applicants for renewal of station authorizations, to ascertain community problems, needs and interests and to propose programming in response thereto.[4] A statement in support of each petition has been filed by the National Association of Educational Broadcasters (NAEB), which has also referred to its comments submitted in Docket No. 19153, the Commission's rule making inquiry into the renewal process in the commercial broadcast field. Also, the Corporation for Public Broadcasting (CPB) has filed a petition for rule making (RM-1974), which requests certain changes in the noncommercial educational FM rules dealing with channel allocations, station licensing and operation and technical requirements. In its petition, CPB states that noncommercial FM applicants should be required to show that their stations will be used to serve ascertained community needs. The CPB petition has relevance to the inquiry herein. However, we are not attempting to dispose of the petition and its various requests concerning the educational FM rules in the context of this proceeding.

3. The Black Associations contend that noncommercial educational broadcasting has witnessed a shift in emphasis from "instructional" programming directed towards the student to "public" programming, which attempts to present news, public affairs and cultural offerings to the community at large. As a result, petitioners assert that educational broadcasters should be charged with the duty of ascertaining the educational and cultural needs of their communities under the same guidelines imposed on commercial broadcasters by the Commission's Primer on Ascertainment of Community Problems by Broadcast Applicants." See Report and Order in Docket No. 18774, 27 FCC 2d 650 (1971). Although petitioners concede that the Commission may have been correct in paying deference to the instructional programming expertise of educational broadcasters during the advent of the noncommercial service, they stress that the evident change in emphasis to public programming demonstrates the need to impose formal ascertainment requirements on educational broadcasters to insure programming responsive to the general educational and cultural interests of communities and to the special problems of minority groups. The Black Associations emphasize the need for diversified ideas if educational stations are to contribute to the educational process and to the development of cultural awareness. In this regard, petitioners note that some educational television stations have refused to carry certain programs even though the need for such programming was apparent from expressions of interest by the public. In addition, petitioners refer to an independent study of educational television viewing which apparently reveals that educational television is perceived not as a medium for community dialogue but rather as a communications vehicle for the better-educated segments of the population, which usually provide substantial financial support for the service.

4. The Black Associations maintain that even though the ascertainment process is no substitute for media access by the disadvantaged, it does provide broadcasters with the opportunity to program in response to community problems. They point out that several parties, in response to the Notice of Inquiry in Docket No. 18774, 20 FCC 2d 880 (1969), urged that educational applicants should not be exempted from the Primer's ascertainment requirements and that they would profit as much as commercial broadcast applicants from the information obtained through community surveys. As petitioners note, the Commission declined to apply the Primer guidelines to applicants for educational broadcast licenses because of the specialized programming presented by educational stations. See 27 FCC 2d at 651. In spite of this determination by the

[1] The Black Associations consist of organizations whose memberships include black law students, student government and black student union groups and black adult educators and whose primary purpose is to secure educational opportunities for the disadvantaged. Hollis H. Larkins, Jr. is a graduate of the School of Education of California State College at San Diego and is active in community educational affairs in the Los Angeles area.

[2] Sandra W. Bennett, Ph. D., a former director of research and development for the Center for Continuing Medical Education at the Ohio State University College of Medicine, has filed a rule making petition (RM-1874) on her own behalf as a concerned citizen, educator, broadcaster and researcher in educational broadcasting.

[3] FCC Form 340 is the application form for authority to construct or make changes in a noncommercial educational AM, FM or TV broadcast station. FCC Form 342 is the application form for renewal of a noncommercial broadcast station license (AM, FM or TV).

[4] The Bennett petition only refers to educational television stations whereas the Black Associations' request applies to all applicants for educational station licenses.

Commission, the Black Associations contend that an educational broadcast applicant must become familiarized with local concerns by surveying his community and by soliciting ideas for relevant programming. Therefore, petitioners request the Commission to amend its rules (§§ 73.503(a) and 73.621(a)) and application forms (FCC Forms 340 and 342) to require educational broadcast applicants to ascertain community problems, needs and interests and to propose programming in response thereto, consistent with existing Primer guidelines and with the following recommended requirements:

(a) The applicant will conduct his ascertainment survey by consulting with students, young people, women and ethnic, economic and political minorities;

(b) The applicant will demonstrate the criteria used to determine community leaders;

(c) The applicant will demonstrate that the leaders selected for consultation are recognized by the groups for which they are selected;

(d) The applicant will conduct his ascertainment survey on a continuing basis and will submit specific evidence semiannually to the Commission to demonstrate that community problems, needs and interests are being served; and

(e) The applicant will demonstrate what steps he has taken to assure continuing contact with his community.

5. Sandra W. Bennett also asks that formal ascertainment requirements be imposed on educational broadcasters. She stresses that there is no sound reason to differentiate an educational broadcaster's obligations in this regard from those attached to a commercial broadcaster. Referring to an NAEB survey, petitioner asserts that local minority programming is virtually non-existent in public broadcasting, and she contends that ascertainment procedures which require an accounting of minority needs and interests should be instituted for educational broadcast applicants. Petitioner suggests that the ascertainment process must be on-going and that educational licensees must be able to show evidence of more than a six-month thrust every three years. She also recommends that every educational broadcaster be required to form a citizens' advisory council, whose membership would reflect diverse segments of the community and whose purpose would be to assist the educational station in identifying community problems and in formulating programming in response thereto.

6. The NAEB, in its statements in support of the rule making petitions, urges the Commission to initiate an inquiry to explore ascertainment criteria for public broadcasters. According to the NAEB, educational broadcasters must be attuned to the needs, interests and problems of their communities, and reasonable survey and reporting procedures, devised with the unique operations and objectives of noncommercial stations in mind, will assure their responsiveness to the primary needs of their service areas in the form of a continuing dialogue between station and community. Referring to its comments submitted in Docket No. 19153, the NAEB submits that the nature of materials to be included in renewal applications by educational broadcasters should await the outcome of an ascertainment inquiry when the Commission can make a more informed judgment on the content of renewal applications and the announcements to be aired by educational broadcasters.

7. No extended discussion of the basic responsibilities of educational broadcasters is required. Commission regulations provide that noncommercial educational stations are to be licensed upon a showing that the station will be used to advance educational programs (§ 73.503(a)) and to serve the educational needs of the community (§ 73.621 (a)). Congress has also recognized the significant contribution which noncommercial broadcasting can make in serving national and local needs, particularly in the areas of instructional and public affairs programming. In providing funding for public broadcasting through the Corporation for Public Broadcasting, Congress specifically declared that one of its purposes was "to encourage noncommercial educational radio and television broadcast programming which will be responsive to the interests of people both in particular localities and throughout the United States * * *" (section 396(a)(4) of the Communications Act of 1934, as amended). The House Report, in commenting on the initial financial assistance to CPB, stated (H. Rept. No. 572, 90th Cong., 1st Sess., p. 10):

> * * * the rewards which are reasonably to be expected from this seed program cannot be measured in money alone. Who can estimate the value to a democracy of a citizenry that is kept fully and fairly informed as to the important issues of our times and whose children have access to programs which make learning a pleasure?

Similarly, the Senate Report of the next year points out that "* * * public broadcasting can be * * * a vital public affairs medium—bringing in depth many aspects of community and political life; * * * a means of examining and solving the social and economic problems of American life today." (Sen. Rept. No. 91–167, 91st Cong., 1st Sess., p. 7). Moreover, the efforts of Congress[5] and the Commission[6] have been directed to insuring that those licensed to operate broadcast facilities do so in a manner that reflects an awareness and responsiveness to the problems, needs and interests of the public. And the Supreme Court has described the broadcaster as a proxy or fiduciary for the public, who is required to make a good faith effort to choose a program service that is responsive to community needs. See Red Lion Broadcasting Co., Inc. v. F.C.C., 395 U.S. 367 (1969).

8. In view of the foregoing, even though formal ascertainment requirements have not been imposed on noncommercial broadcasters, there appears to be no question concerning their obligations in this regard—they, like commercial broadcasters, have an affirmative duty to determine the needs and interests of their communities and to program in such a way as to meet those ascertained needs. See, for example, Report and Statement of Policy re: Commission En Banc Programming Inquiry, supra, which attempted to define the scope of a broadcaster's obligation in the following terms:

> The confines of the licensee's duty are set by the general standard "the public interest, convenience or necessity." The initial and principal execution of that standard, in terms of the area he is licensed to serve, is the obligation of the licensee. The principal ingredient of such obligation consists of a diligent, positive and continuing effort by the licensee to discover and fulfill the tastes, needs and desires of his service area. If he has accomplished this, he has met his public responsibility. (Footnote omitted). 20 RR at 1912.

And noncommercial broadcasters have increasingly recognized their duty to serve, to a significant extent, as outlets for local expression. When noncommercial frequencies were first allocated, applications by educational institutions seeking to meet their own institutional needs predominated. The present profile of noncommercial educational stations, however, is quite different, as petioners have pointed out.[7] Although many stations still devote a portion of their broadcast day to instructional programming, the major part of that day, particularly evening hours and weekends, is occupied by programming which is aimed at a broad spectrum of community problems, needs and interests.[8]

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[5] See Sections 307 (b) and (d), 309 and 315(a) of the Communications Act of 1934, as amended.

[6] See *Report and Order in Docket No. 18774, supra; Notice of Inquiry in Docket No. 18774, supra; Ascertainment of Community Needs by Broadcast Applicants*, 33 FR 12113 (1968); and *Report and Statement of Policy re: Commission En Banc Programming Inquiry*, 20 RR 1901 (1960).

[7] In terms of expanded service, for example, authorizations for noncommercial educational UHF–VHF stations have increased from 56 in 1961 to 236 in 1973. In addition, the average hours broadcast by each station have increased to 70.9, and approximately one-half of all stations are operating seven days a week. It is also estimated that about 63 percent of all broadcast hours are programmed in color. See *One Week of Public Broadcasting*, April, 1972, a survey conducted by Dr. Nathaniel Katzman for the Corporation for Public Broadcasting.

[8] About one-third of educational television programming is instructional in nature. This figure does not include transmissions over Instructional Television Fixed Service (ITFS), which was established on 2500–2690 MHz in 1963 as a supplemental service for the transmission of instructional and cultural materials to schools and other selected receiving locations. As of August, 1973, 500 ITFS channels were in use and another 100 such channels had been requested. It should be pointed out that this Notice does not pertain to the ITFS.

In this regard, it is recognized that many educational stations conduct regular assessments of community needs to develop responsive programming even though they are not bound by the formal requirements imposed on commercial broadcast applicants and licensees.

9. The noncommercial broadcast service, by definition, differs markedly from the commercial service. It is designed to serve the educational needs of the community, and it is intended to meet cultural and informational interests often given minimal attention by commercial broadcasters who normally program to reach a large mass audience. This is not to say that noncommercial broadcasting is somehow missing the mark if its programming attracts large audiences. But, quite obviously, noncommercial service can tolerate audiences that would spell immediate disaster in the commercial area. Its strength, in fact, may derive from its ability to be innovative and to serve significant minority tastes, needs and interests. Nevertheless, it is a mistake to regard the noncommercial service as something apart from, and outside of, the basic structure of the Communications Act and Commission policies. The Act and its legislative history and our own pronouncements make clear the obligations imposed on educational broadcasters and the authority of the Commission to examine whether educational broadcasters have sought to ascertain and to meet community needs and to contribute to the goal of an informed electorate through controversial issue programming.[9]

10. Therefore, the Commission agrees with the petitioners that noncommercial educational broadcasters should be attuned to the problems, needs and interests of their service areas and should present programming in response thereto. We do realize that many noncommercal stations currently assess community needs as a matter of policy in order to stimulate a continuing dialogue with the public and to serve as effective outlets for local expression. We also note that as noncommercial broadcasting has developed, the emphasis has shifted from instructional to public programming and that such a shift magnifies the need for educational broadcasters to be aware of, and responsive to, community needs. In the past, the Commission has not imposed formal ascertainment requirements on educational broadcasters because of the unique character of the noncommercial service. In our Report and Order in Docket No. 18774, supra, we stated that the Primer would not be applied to educational broadcast applicants even though several parties had contended that the ascertainment process would profit educational applicants as much as commercial applicants. Since the issuance of the Primer, we have been urged by several parties, including the petitioners, to impose formal ascertainment requirements on educational applicants, and we are now persuaded to reexamine our prior position in light of the apparent shift in programming emphasis with the growth of educational stations and of the increased awareness of the role to be served by educational broadcasting on the local, state and national levels.

11. We therefore invite comments from interested parties on the question of whether formal ascertainment requirements should be imposed on educational broadcast applicants, including applicants for renewal of station authorization, and, if so, what specific obligations should be assessed. We request comments on how educational radio and television stations, given their unique character and the special nature of their program service, can best ascertain community problems, needs and interests and whether there should be special procedures imposed in regard to the ascertainment of educational and instructional needs[10] as opposed to general community needs. We also ask parties to address themselves to the following questions: whether a distinction should be drawn between educational radio and television stations in terms of ascertainment requirements (see paragraph 12, infra.); whether a distinction should be drawn between classes of radio stations (for example, between a class D ten-watt FM station and a higher-powered educational radio station); whether the existence of a state-wide educational broadcast system should have any effect on ascertainment requirements imposed on member stations; and whether formal ascertainment procedures will impose substantial financial burdens on educational applicants and licensees. Since we have gained some experience with the Primer guidelines, which could be applied in most respects to educational broadcast applicants, we propose to offer the 1971 Primer as a reference point for this part of the inquiry. Therefore, we invite specific comments on whether the Primer guidelines can and should be applied to educational applicants, whether for new or modified facilities or for renewal of license. Parties commenting on this question who feel that the Primer should be applied to educational applicants, but with certain modifications, should set forth their proposed modifications and reasons therefor. In this regard, we note that the Primer for commercial applicants, at Question and Answer (18), suggests that applicants should not elicit program preferences, but should focus on community problems. In the educational area, it may be appropriate to permit educational stations to sound out program preferences or suggestions since their service offering is so specialized in nature. In any event, we request commenting parties to address such questions. We also ask for discussion on the additional requirements proposed by the Black Associations (see paragraph 4, supra), especially the requirement for a continuing ascertainment process, and on Sandra Bennett's proposal that every educational broadcaster be required to form a citizens' advisory council (see paragraph 5, supra).

12. In addition, commenting parties should be aware of the Commission's pending Notice of Inquiry in Docket No. 19715, 40 FCC 2d 379 (1973), which is a proceeding to investigate the ascertainment process applicable to commercial broadcast applicants and which was initiated, in part, because of complaints that various ascertainment requirements are unnecessary, impractical or unduly burdensome. Part I of the inquiry is designed to explore the alleged differences between radio and television relative to the role of each in discharging its public interest responsibilities under the Act and the effect of certain variables, such as market size, number of stations in a market, number of employees, specialized formats, etc., on those roles and the ascertainment process. Part II deals specifically with the ascertainment process for both radio and television in light of the differences elicited in Part I and raises numerous questions concerning certain ascertainment requirements. Parties commenting in this proceeding should feel free to address themselves to any question raised in Docket No. 19715 which they consider to have impact on our inquiry into ascertainment by educational applicants. It is quite conceivable that revisions or modifications in the Primer guidelines for commercial applicants could have a significant effect on our consideration of formal ascertainment requirements for educational broadcast applicants, and, for that reason, we ask commenting parties to assess the relevance of matters raised in Docket No. 19715.

[9] Even though section 399 of the Communications Act prevents educational stations from editorializing, the obligation that a licensee devote a reasonable amount of time to the discussion of controversial issues of public importance is applicable to noncommercial as well as commercial broadcast stations. The Senate Commerce Committee emphasized this obligation in its Report on S. 1090 (Authorization for Public Broadcasting, April 17, 1973) when it stated, "Public affairs programming, at the local and national levels, belongs in public broadcasting. Presented objectively these programs can enlighten their audiences, and bring increased understanding and added dimensions to the problems and issues which beset our society." Of course, the licensee's coverage of issues must be effected in full compliance with the "equal opportunities" and fairness requirements of Section 315 of the Act and Commission rules and policies.

[10] In addition to the obligation to serve local needs, particularly in the public affairs area, educational stations are encouraged to provide instructional services in an effort to fulfill the educational needs of the community. Congress, itself, has declared that it is in the public interest to use educational broadcast media for instructional purposes. See Section 396(a)(1) of the Communications Act of 1934, as amended. Therefore, comments are invited on whether educational applicants should also ascertain the *instructional* needs of the community (whether formal in-school or informal out-of-school) and, if so, what specific requirements should be imposed.

13. At present, applicants for authority to construct or make certain changes in a noncommercial educational AM, FM or TV station are required to file Form 340, Section IV of which consists of a statement of program service. Section IV requires information concerning the applicant's purpose and objective in establishing the proposed station, proposed program policies and program schedule, available facilities, staff and equipment, proposed network affiliation, etc. Section IV of Form 342 (educational station renewal application) requires the submission of program logs for a full week of operation and information concerning operating hours, sources of programming, types of programs (instructional, general educational, performing arts, public affairs, light entertainment and other), and whether the applicant contemplates any material changes in future program service and any network affiliation. Unlike similar sections in FCC Forms 301, 303, 314 and 315 (commercial broadcast application forms), there is no requirement in Forms 340 and 342 for the ascertainment of community problems, needs and interests by the educational applicant and for his program proposals in response thereto.

14. In the event that the Commission determines herein that formal ascertainment requirements should be imposed on educational broadcasters, then it is proposed to amend section IV of Forms 340 and 342 to require educational applicants and licensees to indicate the methods used to ascertain the needs and interests of the public to be served by the station; the significant needs and interests of the public which the applicant will serve during the coming license period; and typical and illustrative programs or program series that applicant plans to broadcast to meet ascertained needs and interests. See Appendix. In addition, it is proposed that section IV of Form 342 (renewal application) be amended to require information from educational licensees as to what programs or program series were presented during the year preceding the filing of the renewal application to meet the most significant needs and interests of the community. In this way, the Commission will be better able to evaluate an educational licensee's responsiveness to community needs and his performance in light of past proposals. Persons commenting on the proposed revisions in Forms 340 and 342 are also invited to suggest other modifications that would be consistent with the imposition of ascertainment requirements on educational applicants. The Commission believes that an effective public broadcasting system must be rooted in an awareness of, and responsiveness to, important community needs. Our proposals herein are not meant to place an undue or unnecessary burden upon the resources of educational applicants and licensees.[11] Our proposals are intended to enable educational broadcasters to develop the information necessary to make informed programming judgments.[12]

15. In our Notice of Inquiry and Notice of Proposed Rulemaking in Docket No. 19153, 27 FCC 2d 697 (1971), we indicated our intent to simplify the broadcast renewal process by concentrating on the essential elements of broadcast service to the public, by encouraging a continuing dialogue between a licensee and his community throughout the license period and by providing for more orderly procedures in the consideration of petitions to deny renewal applications and related pleadings. In paragraph 3 of the Notice, we indicated that Parts II and III of the inquiry concerning proposed revisions of our rules relating to the time for filing renewal applications, petitions to deny and related pleadings and to announcements of the filing of renewal applications would be applicable to broadcasting generally, including the noncommercial educational service. However, we also noted that Part I, which proposed requirements for the broadcast of notices to the public about the manner in which to comment on station performance and for the maintenance of a complaints and suggestions file, would exclude educational broadcasters; and that Part IV, which proposed revisions in Section IV-B (Statement of Television Program Service) of FCC Form 303 (renewal application) and the adoption of an annual reporting form, would apply only to commercial television stations.

16. On May 4, 1973, the Commission released an Interim Report and Order in Docket No. 19153,[13] FCC 73-451, 27 RR 2d 553, in which the proposals mentioned above were adopted with certain modifications. In regard to Parts II and III, which are applicable to *all* broadcast station licensees, Commission rules would be revised to change the filing dates for renewal applications (from 90 days prior to expiration of station license to four months) and for petitions to deny and related pleadings and to require the broadcasting of announcements both before and after the filing of a renewal application, which would apprise the public of the application's filing and of the appropriate time for submitting comments thereon. Pursuant to Part I, all commercial broadcast licensees would be required to broadcast announcements every 15 days during the license period, informing the public of licensee obligations and of the proper method for expressing opinions on station operation. All commercial broadcasters would also be required to retain in their public files written comments and suggestions received about station operation.[14] With respect to Part IV, which is applicable to commercial television stations only, we would require stations to prepare an annual listing of the significant problems and needs of their communities and of typical and illustrative programming aired during the year directed to those problems and needs. The listings are to be placed in the local public inspection file, and the three annual listings for the current license period are to be forwarded to the Commission upon the filing of the renewal application. Television licensees would also be required to compile composite week programming statistics in an annual programming report to be sent to the Commission each year and to be considered at renewal time. Moreover, certain revisions in Section

[11] The information which would be required under the proposed modification of FCC Forms 340 and 342 is in many instances already being developed by noncommercial educational applicants. Federal funds have been made available by Congress for assistance in the construction and expansion of educational stations under regulations promulgated by the Secretary of Health, Education, and Welfare. HEW regulations require, inter alia, that an applicant ascertain the broadcast needs of the area to be served, including an evaluation of the general or special educational and cultural needs for the establishment or improvement of educational broadcasting services which the project is designed to fulfill. Applicants are also asked to indicate the manner in which needs were determined, to identify the sources of information, to include appropriate supporting evidence, if relevant, to submit population and enrollment data of the area to be served, and to document and justify the proposed program service. Thus, any applicant seeking federal funds would have available much, if not all, of the information we propose to require.

[12] Parties are also invited to comment on the need for revisions in Commission regulations dealing with educational broadcast stations (§§ 73.503(a) and 73.621(a)) in the event ascertainment requirements are imposed herein. In this regard, we note that the Black Associations have suggested the addition of the following language at the end of the respective subparagraphs cited above:

> All applicants for educational broadcast licenses, including applicants for the renewal of temporary educational station broadcast licenses, will ascertain the educational and cultural interests, needs and problems of the community, and make proposals for programs based on such ascertainment.

The Commission is not now proposing specific rule modifications in this regard. However, we do note that our Docket No. 19715 inquiry asks whether ascertainment requirements should be incorporated in regulations or should be left, as now, in policy statements and application forms.

[13] In paragraph 214 of the Interim Report, we explained that the report will not be published in the FEDERAL REGISTER until the annual programming report (see infra.) and revised Section IV-B of FCC Form 303 are cleared by the Office of Management and Budget. Therefore, the revised rules contained in the report will not become effective until 30 days after Federal Register publication, and the time for filing petitions for reconsideration will also run from the date of publication.

[14] The retention requirement for radio stations will be on an experimental basis and will be evaluated for usefulness by our re-regulation task force in due course. See paragraph 51 of Interim Report, supra.

IV–B of FCC Form 303 were made in an attempt to refine the information required of television licensees, which would be helpful in evaluating station performance.

17. Since we have issued our Interim Report and Order in Docket No. 19153 and since the questions raised in this proceeding concerning ascertainment by educational broadcasters have relevance to Parts I and IV of Docket No. 19153, we hereby invite comments on whether the requirements adopted in Parts I and IV should be applied to educational licensees and, if so, what modifications are called for in light of the unique nature of the noncommercial service. It would appear that the requirements to be imposed on commercial broadcasters concerning the airing of announcements about public comment on station operation and the maintenance of a local complaints and suggestions file would not be unduly burdensome on educational licensees and would serve to implement a continuing dialogue between station and community. In fact, in the Interim Report, we specifically noted that the public comment announcements were intended to supplement existing ascertainment procedures and that the complaints and suggestions file was a valuable device to test the nature of a station's response to community feedback. In regard to Part IV proposals concerning commercial television licensees, we request comments on whether a similar approach should be taken with educational television broadcasters and, if so, what modifications are appropriate to accommodate the specialized nature of educational broadcasting. While we do recognize that the Part IV proposals of Docket No. 19153 contain a modified approach to ascertainment by commercial television licensees, we do not intend to propose similar requirements for educational television licensees on the basis of this general notice. Rather, we prefer to solicit the suggestions of interested parties and to consider those comments in light of the final disposition of Docket No. 19153. We shall then be in a better position to assess the desirability of a further notice delineating specific proposals for the renewal process in the educational broadcast area. In the meantime, we offer the modifications of Section IV of FCC Forms 340 and 342 contained in the Appendix, which conform with existing ascertainment requirements for commercial applicants with the exception of proposed Question 7 of Form 342.

18. Authority for the institution of this proceeding and for the revisions of FCC Forms 340 and 342 is contained in Sections 4(i), 303, 307, 308 and 309 of the Communications Act of 1934, as amended.

19. In accordance with the procedures set forth in § 1.415 of the Commission's rules, interested persons may file comments on or before December 14, 1973, and reply comments on or before January 14, 1974. It is hoped that comments, either formal or informal, will be submitted by interested parties from all segments of the public and the various public broadcasting entities, particularly the individual licensees. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in the proceeding. In reaching its decision in this proceeding, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by these notices.

20. In accordance with the provisions of § 1.419 of the Commission's rules, an original and 14 copies of all statements, briefs, and comments filed shall be furnished to the Commission. However, in an effort to obtain the widest possible response in this proceeding from licensees and members of the public, informal comments (without extra copies) will be accepted. Copies of all pleadings filed in this matter will be available for public inspection during regular business hours in the Commission's Public Reference Room at its headquarters in Washington, D.C.

Adopted September 6, 1973.

Released September 11, 1973.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] VINCENT J. MULLINS,
Acting Secretary.

FCC FORM 340

Section IV—Statement of Program Service of Broadcast Applicant.

Add the following questions:

6. State in Exhibit No. ------ the methods used by the applicant to ascertain the problems, needs and interests of the public served by the station. Such information shall include: (1) identification of representative groups, interests and organizations which were consulted and (2) the major communities or areas which applicant principally undertakes to serve.

7. Describe in Exhibit No. ------ the significant problems, needs and interests of the public which the applicant believes his station will serve during the coming license period, including those with respect to national and international matters.

8. List in Exhibit No. ------ typical and illustrative programs or program series that applicant plans to broadcast during the coming license period to meet those problems, needs and interests.

NOTE.—Sufficient records shall be kept on file by the applicant, open for inspection by the Commission, for a period of 3 years from the date of filing of this statement (unless requested to be kept longer by the Commission) to support the representations required in answer to Questions 6, 7 and 8. These records should *not* be submitted with this application and need not be available for public inspection.

FCC FORM 342

Section IV—Statement of Program Service of Broadcast Applicant.

Add the following questions:

4. State in Exhibit No. ------ the methods used by the applicant to ascertain the problems, needs and interests of the public served by the station. Such information shall include: (1) identification of representative groups, interests and organizations which were consulted and (2) the major communities or areas which applicant principally undertakes to serve.

5. Describes in Exhibit No. ------ the significant problems, needs and interests of the public which the applicant believes his station will serve during the coming license period, including those with respect to national and international matters.

6. List in Exhibit No. ------ typical and illustrative programs or program series that applicant plans to broadcast during the coming license period to meet those problems, needs and interests.

NOTE.—Sufficient records shall be kept on file by the applicant, open for inspection by the Commission, for a period of 3 years from the date of filing of this statement (unless requested to be kept longer by the Commission) to support the representations required in answer to Questions 4, 5 and 6. These records should *not* be submitted with this application and need not be available for public inspection.

7. Describe in Exhibit No. ------ the specific programs or program series that applicant broadcast during the 12 months preceding the filing of this application to meet significant problems, needs and interests of the public.

[FR Doc.73-19016 Filed 9-18-73;8:45 am]

NATIONAL CREDIT UNION ADMINISTRATION

[12 CFR Part 702]

RESERVES

Mandatory Charge-offs

On May 1, 1973, notice of proposed rule making regarding the addition of a new § 702.4 (12 CFR 702.4), the repeal of § 702.3 (12 CFR 702.3), and the revision of certain sections of Chapter VII of title 12 was published in the FEDERAL REGISTER (38 FR 10743).

After consideration of all such relevant matter as was presented by interested persons, notice is hereby given that the Administrator of the National Credit Union Administration, pursuant to the authority conferred in section 120, 73 Stat. 635 (12 U.S.C. 1766), is considering the revision of paragraph (b) of the proposed § 702.4 as set forth below.

The purpose of the revision is to further delineate the responsibilities and obligations of the board of directors of a Federal credit union.

Interested persons are invited to submit written comments, suggestions, or objections regarding the revision to the Administrator, National Credit Union Administration, Washington, D.C. 20456, to be received not later than November 23, 1973.

HERMAN NICKERSON, Jr.,
Administrator.

SEPTEMBER 12, 1973.

§ 702.4 Mandatory charge-offs.

* * * * *

(b) The matter contained in paragraph (a) in this section is not intended to: (1) Prevent a Federal credit union's board of directors from exercising its responsibility to charge off any other loans that are known losses; or (2) prevent a Federal credit union's credit committee or loan officer from refinancing or extending a delinquent loan to preclude mandatory charge-off, provided such refinancing or extension is granted in accordance with Article IX, sections 6, 7, and 8 of the bylaws.

* * * * *

[FR Doc.73-19869 Filed 9-18-73;8:45 am]

Notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Treasury Dept. Order No. 226]

OFFICE OF ANALYSIS AND SPECIAL STUDIES OF NATURAL RESOURCES AND ENERGY

Creation

By virtue of the authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950, there is hereby created in the Department of the Treasury an office of Analysis and Special Studies of Natural Resources and Energy. This office will report directly to the Deputy Secretary and be headed by a Special Assistant to the Deputy Secretary. The office will perform ongoing analyses and special studies of the international economic implications of the United States' position in selected natural resources, including coal, oil, natural gas, copper, and other minerals of importance to the U.S. balance of payments. The office will also advise the Deputy Secretary on related tax policies including depletion allowances, accelerated amortization, investment credits, and production incentives, as well as tariffs and quotas, financial and investment policies, price controls, and loans and guarantees as they affect U.S. natural resource and energy needs. Its work will complement the ongoing work in the natural resource field in the Office of the Assistant Secretary for International Affairs, the Assistant Secretary for Tax Policy, and other areas in the Office of the Secretary.

The work of the office will include contact with other Government agencies concerned with resources and energy, on the one hand; and the various parts of the Treasury concerned with tax policy, trade policy, economic policy, international affairs, and monetary affairs, on the other hand.

The office will concern itself with the supply and demand needs for significant energy resources of the U.S. economy and make recommendations to the Deputy Secretary about the most appropriate policies which will produce a favorable U.S. supply-demand balance for energy and other selected natural resources.

For reference purposes this office will be known as the Office of Natural Resources and Energy.

Dated September 1, 1973.

[SEAL] WILLIAM E. SIMON,
Acting Secretary of the Treasury.

[FR Doc.73-19909 Filed 9-18-73;8:45 am]

DEPARTMENT OF DEFENSE

Department of the Army

JUNIOR SCIENCE AND HUMANITIES SYMPOSIA ADVISORY COMMITTEE

Notice of Meeting

In accordance with Pub. L. 92-463 dated 6 October 1972, notice is given of a meeting of the Junior Science and Humanities Symposia (JSHS) Advisory Committee, as follows:

Date: 12 October 1973.
Time: 1330 hours.
Place: US Army Research Office, Box CM, Duke Station, Durham, North Carolina.

Agenda subjects will be as follows:

Action on Summary of 25th Meeting held 9 May 1973.
Status of Regional Program and Funding, FY 74.
Other Army Support of JSHSP, FY 74.
European Regional JSHS.
1974 National JSHS.
Judging of Student Papers, '74 National.
JSHS Contributions as Tax Exemptions.
Report of Sub-Committee on Expansion and Financial Support.
JSHS Policy on Animal Experimentation.

The meeting will be open to the public. For specific rules concerning participation contact Miss Patsy Ashe, Executive Secretary, JSHS Advisory Committee, U.S. Army Research Office, Box CM Duke Station, Durham, North Carolina 27706 AV 935-3331; AC 919 286-2285.

LOTHROP MITTENTHAL,
COL, GS
Commanding.

[FR Doc.73-19877 Filed 9-18-73;8:45 am]

Office of the Secretary

DDR&E HIGH ENERGY LASER REVIEW GROUP

Notice of Closed Meetings

Pursuant to the provisions of section 10 of Pub. L. 92-463, effective January 5, 1973, notice is hereby given that closed meetings of the DDR&E High Energy Laser Review Group will be held on Tuesday and Wednesday, October 2 and 3, 1973.

This meeting will be to discuss classified matters.

MAURICE W. ROCHE,
Director Correspondence and Directives OASD (Comptroller).

SEPTEMBER 14, 1973.

[FR Doc.73-19884 Filed 9-18-73;8:45 am]

Department of the Navy

NAVAL ORDNANCE HYDROBALLISTICS ADVISORY COMMITTEE

Notice of Meetings

Pursuant to the provisions of the Federal Advisory Committee Act (Public Law 92-463 (1972)), notice is hereby given that closed meetings of the Naval Ordnance Hydroballistics Advisory Committee will be held September 24-27, 1973, at the Admiralty Research Laboratory, Teddington, London, England.

The agenda of these meetings consists of matters classified in the interest of national defense.

H. B. ROBERTSON, Jr.,
Rear Admiral, JAGC, U.S. Navy,
Acting Judge Advocate General.

SEPTEMBER 18, 1973.

[FR Doc.73-20104 Filed 9-18-73;11:22 am]

DEPARTMENT OF JUSTICE

Law Enforcement Assistance Administration

ALARM COMMITTEE OF THE PRIVATE SECURITY ADVISORY COUNCIL

Notice of Meeting

Notice is hereby given that the Alarm Committee of the Private Security Advisory Council to the Law Enforcement Assistance Administration will meet on Friday, September 21, at 9:30 a.m. The place of the meeting will be the Law Enforcement Assistance Administration, 633 Indiana Avenue, Washington, D.C., in the 11th Floor Conference Room.

The meeting will be open to the public. Any interested person may file a written statement with the council for its consideration.

Statements may be sent to or information requested from Robert Macy, Law Enforcement Assistance Administration, U.S. Department of Justice, 633 Indiana Avenue, Washington, D.C. 20530.

JACK A. NADOL,
Advisory Committee Management Officer, Office of General Counsel.

[FR Doc.73-19883 Filed 9-18-73;8:45 am]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

ALASKA

Final Eligibility of Native Villages

This notice is published in exercise of authority delegated by the Secretary of

the Interior to the Director, Juneau Area Office, Bureau of Indian Affairs by Subpart 2651.2(a)(2) of Subchapter B of Chapter II of Title 43 of the Code of Federal Regulations published on Pages 14222 and 14223 of the May 30, 1973, issue of FEDERAL REGISTER.

The Alaska Native Claims Settlement Act of December 18, 1971 (Public Law 92-203, 92nd Congress, 85 Stat. 688-716), provides for the settlement of certain land claims of Alaska Natives and for other purposes.

Accordingly, pursuant to the authority contained in said Act of December 18, 1971, and Subpart 2651.2 of said regulations, notice is hereby given that the following is a final decision determining the eligibility of certain Native villages in Alaska listed in sections 11(b)(1) and 16(a) of said Act. Notice of Proposed Eligibility was published on pages 19255, 19256 and 19257 of the July 19, 1973, issue of the FEDERAL REGISTER. Said notice was also published in one or more newspapers of general circulation in Alaska and a copy was mailed to each affected village; all villages located in the Native region in which the affected village is located; all Native regional corporations within the State of Alaska; and the State of Alaska. Interested parties were allowed until August 20, 1973, to file protests to the proposed decisions.

No protests having been received as a result of the notice published in the FEDERAL REGISTER on July 19, 1973, the proposed decisions now become final.

The Director, Juneau Area Office, Bureau of Indian Affairs will provide certification as to the eligibility of each of the following villages listed for land benefits under the Act:

Name of listed native village:	*Bureau of Land Management Serial Number*
Akhiok	AA-6645
Akiachak	F-14823
Akiak	F-14824
Akutan	AA-6647
Alakanuk	F-14825
Aleknagik	AA-6648
Allakaket	F-14827
Ambler	F-14828
Anaktuvuk Pass	F-14829
Andreafsey (Andreafsky).	F-14830
Angoon	AA-6978
Aniak	F-14831
Anvik	F-14832
Arctic Village	F-14833
Atka	AA-6649
Atmautluak	F-14835
Barrow	F-14836
Beaver	F-14837
Belkosky (Belkofski)	AA-6650
Bethel	F-14838
Birch Creek (near Fort Yukon).	F-14840
Brevig Mission	F-14841
Buckland	F-14842
Cantwell	F-14844/ AA-7587
Chalkyitsik	F-14846
Chefornak	F-14848
Chevak	F-14849
Chignik	AA-6652
Chignik Lagoon	AA-6654
Chignik Lake	AA-6655
Chistochina	AA-6656
Circle	F-14989
Clark's Point	AA-6657
Copper Center	AA-6658
Craig	AA-6979
Crooked Creek	F-14990
Deering	F-14851
Dillingham	AA-6659
Dot Lake	F-14852
Eagle (Indian Village)	F-14853
Eek	F-14854
Egegik	AA-6660
Eklutna	AA-6661
Ekwok	AA-6663
Elim	F-14855
Emmonak	F-14856
English Bay	AA-6664
False Pass	AA-6665
Fort Yukon	F-14857
Galena	F-14858
Gambell	F-14859
Golovin	F-14861
Goodnews Bay (Mumtrak).	F-14862/ AA-7726
Grayling	F-14863
Gulkana	AA-6667
Holy Cross	F-14865
Hoonah	AA-6980
Hooper Bay	F-14865
Hughes	F-14867
Huslia	F-14868
Hydaburg	AA-6981
Inalik (Diomede)	F-14869
Kake	AA-6982
Kaktovik	F-14870
Kalskag	F-14871
Kaltag	F-14872
Karluk	AA-6674
Kasigluk	F-14873
Kiana	F-14874
King Cove	AA-6675
Kipnuk	F-14875
Kivalina	F-14876
Klawock	AA-6984
Kobuk	F-14877
Kiukwan	AA-6985
Kongiganok (Kongiganak).	AA-6673
Koliganek	AA-6676
Kongiganok (Kongiganak).	F-14878
Kotlik	F-14879
Kotzebue	F-14880
Koyuk	F-14881
Koyukuk	F-14882
Kwethluk	F-14883
Kwigillingok	F-14884
Larsen Bay	AA-6677
Levelock	AA-6678
Lower Kalskag	F-14888
Manokotak	AA-6679
Marshall (Fortuna Ledge).	F-14892
Mekoryuk	F-14895
Mentasta Lake	F-18896/ AA-6716
Minto	F-14897
Mountain Village	F-14898
Naknek	AA-6680
Napakiak	F-14901
Napaskiak	F-14902
Nelson Lagoon	AA-6681
Nenana	F-14903
Newhalen	AA-6682
New Stuyahok	AA-6683
Newtok	F-14904
Nightmute	F-14905
Nikolai	F-14906
Nikolski	AA-6684
Ninilchik	AA-6685
Noatak	F-14907
Nome	F-14908
Nondalton	AA-6686
Noorvik	F-14910
Northway	F-14912
Nulato	F-14913
Nunapitchuk	F-14914
Old Harbor	AA-6687
Oscarville	F-14916
Ouzinkie	AA-6688
Pedro Bay	AA-6690
Perryville	AA-6691
Pilot Point	AA-6692
Pilot Station	F-14918
Pitkas Point	F-14919
Platinum	F-14920
Point Hope	F-14921
Port Graham	AA-6695
Port Heiden	AA-6693
Port Lions	AA-6694
Portage Creek	AA-6717
Quinhagak (Kuinhagak)	F-14885
Rampart	F-14923
Red Devil	F-14924
Ruby	F-14925
Russian Mission (Kuskokwin).	F-14926
Russian Mission (Yukon).	F-14927
St. George	AA-6696
St. Mary's	F-14937
St. Michael	F-14938
St. Paul	AA-6697
Sand Point	AA-6699
Savoonga	F-14928
Saxman	AA-6986
Scammon Bay	F-14929
Selawik	F-14930
Shageluk	F-14931
Shaktoolik	F-14932
Sheldon's Point	F-14933
Shishmaref	F-14934
Shungnak	F-14935
Sleetmute	F-14936
South Naknek	AA-6747
Stebbins	F-14939
Stevens Village	F-14940
Stony River	F-14941
Tanacross	F-14943
Tanana	F-14944
Tatitlek (Tatilek)	AA-6703
Teller	F-14946
Tetlin	F-14947
Togiak	AA-6705
Toksook Bay	F-14948
Tuluksak (Tulusak)	F-14949
Tuntutuliak	F-14950
Tununak	F-14951
Twin Hills	AA-6706
Tyonek	AA-6707
Unalakleet	F-14952
Unalaska	AA-6709
Venetie	F-14953
Wainwright	F-14954
Wales	F-14955
White Mountain	F-14956
Yakutat	AA-6987

The Director, Juneau Area Office, Bureau of Indian Affairs will issue certificates of eligibility for land benefits under the act to the above named villages and will certify the record and the final decisions to the Secretary. A copy of this final decision and a certification of eligibility will be mailed to each eligible village; each other village located in the same region as the eligible village; all regional corporations within the State of Alaska; and the State of Alaska.

This is the first of several notices that final decisions have been made as to the eligibility of listed villages. Future

notices will be issued as to the final eligibility of villages when and if such eligibility becomes established.

MORRIS THOMPSON,
Director.

SEPTEMBER 4, 1973.

[FR Doc.73-19825 Filed 9-18-73;8:45 am]

DEPARTMENT OF AGRICULTURE

Forest Service

CALIFORNIA ADVISORY COMMITTEE TO THE U.S. FOREST SERVICE

Notice of Meeting

The California Advisory Committee to the U.S. Forest Service will hold a field meeting on October 10–12, 1973, on the Eldorado National Forest and vicinity.

The group will assemble at the Sacramento Airport at approximately 10:00 a.m. on October 10. They will travel over Forest roads in the vicinity of Georgetown, Blodgett Forest of the University of California Forestry School, Placerville and the Institute of Forest Genetics. Discussions will consider intensive management practices for production of timber, including research and development work by Forest Service and University specialists, and the infrared imagery use and rehabilitation work programmed for recent Eldorado fires. The group will conclude its meeting with a closing luncheon at the Sportsman's Hall in Pollock Pines at noon on October 12 and an open conference after lunch.

Public participation is invited, and written statements are welcome, before or after the meeting, by contacting the Forest Supervisor, Eldorado National Forest, 100 Forni Road, Placerville, California 95667—Telephone 916–622–5061. Oral statements can be made by making arrangements with the chairman in advance.

DOUGLAS R. LEISZ,
Regional Forester.

SEPTEMBER 11, 1973.

[FR Doc.73-19860 Filed 9-18-73;8:45 am]

NORTH SHORE OF HUNTINGTON LAKE TIMBER SALES

Notice of Availability of Draft Environmental Statement

Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, the Forest Service, Department of Agriculture, has prepared a draft environmental statement for the North Shore of Huntington Lake Timber Sales, Sierra National Forest, USDA–FS–DES (Adm) 74–28.

The environmental statement concerns a proposal to continue with the preparation and eventual sale of the Home Camp, Line Creek, Billy Creek and Bear Creek Timber Sales. These proposed timber sales are north of Huntington Lake on the Pineridge District, Sierra National Forest, Fresno County, California. The total area under study comprises 8,115 acres of National Forest lands within the 23,020-acre Kaiser Inventoried Roadless Area. Roughly 2,150 acres within the Study Area would be scheduled for various types of timber harvest at the first entry into the area. The remaining acreage would be logged at varying intervals during the next 100 years. The ultimate goal of this proposal is to place the Study Area under long-term multiple use management which includes the production of timber resources.

This draft environmental statement was filed with CEQ September 13, 1973.

Copies are available for inspection during regular working hours at the following locations:

USDA, Forest Service
South Agriculture Bldg., Room 3230
12th St. & Independence Ave. S.W.
Washington, D.C. 20250

Sierra National Forest
Federal Building
1130 O Street
Fresno, Calif. 93721

USDA, Forest Service
California Region
630 Sansome St., Room 531
San Francisco, Ca. 94111

Pineridge Ranger District
Big Creek Ranger Station
P.O. Box 38
Big Creek, Calif. 93605

A limited number of single copies are available upon request to Sotero Muniz, Forest Supervisor, Sierra National Forest, Federal Building, 1130 O Street, Fresno, California 93721.

Copies are also available from the National Technical Information Service, U.S. Department of Commerce, Springfield, Virginia 22151. Please refer to the name and number of the above named environmental statement when ordering.

Copies of the environmental statement have been sent to various Federal, State, and local agencies as outlined in the CEQ guidelines.

Comments are invited from the public and from State and local agencies which are authorized to develop and enforce environmental standards and from Federal agencies having jurisdiction by law or special expertise with respect to any environmental impact involved for which comments have not been requested specifically.

Comments concerning the proposed action and requests for additional information should be addressed to Sotero Muniz, Sierra Forest Supervisor, Federal Building, 1130 O Street, Fresno, California 93721.

Comments must be received within 45 days after the date of filing with CEQ in order to be considered in the preparation of the final environmental statement.

PHILIP L. THORNTON,
Deputy Chief, Forest Service.

[FR Doc.73-19881 Filed 9-18-73;8:45 am]

Office of the Secretary

MIDAMERICA COMMODITY EXCHANGE

Order Designating a Contract Market for Live Hogs Under the Commodity Exchange Act

Pursuant to the authorization and direction contained in the Commodity Exchange Act as amended (7 U.S.C. 1 et seq.), I hereby designate the Mid-America Commodity Exchange of Chicago, Illinois, as a contract market for live hogs effective on this date, as shown below. The said exchange has applied for, and has otherwise complied with the requirements imposed by the said Act as a condition precedent to, such designation.

The designation is subject to suspension or revocation in accordance with the provisions of the said Act. For the purpose of any such suspension or revocation, this designation and the orders issued by the Secretary of Agriculture on October 24, 1922, and December 8, 1940, designating the said exchange as a contract market for the commodities specified in such orders, may constitute either a single designation or several designations.

Issued this 14th day of September 1973.

CLAYTON YEUTTER,
Assistant Secretary.

[FR Doc.73-19880 Filed 9-18-73;8:45 am]

ADVISORY COMMITTEE ON HOG CHOLERA ERADICATION

Notice of Meeting

A meeting of the Advisory Committee on Hog Cholera Eradication will be held at 9:00 a.m., on October 15, 1973, at the Sheraton-Jefferson Hotel, St. Louis, Missouri.

The purpose of the committee is to advise and counsel the Secretary of Agriculture regarding program operations or measures to eradicate hog cholera from this country.

Topics of discussion will include a review of program progress, problems, and recommended actions.

The meeting is open to the public, however, space and facilities are limited. Comments of interested persons may be filed with the committee before or after the meeting.

Dated September 13, 1973.

F. J. MULHERN,
Chairman.

[FR Doc.73-19926 Filed 9-18-73;8:45 am]

DEPARTMENT OF COMMERCE

Domestic and International Business Administration

SEMICONDUCTOR TECHNICAL ADVISORY COMMITTEE

Notice of Meeting

The Semiconductor Technical Advisory Committee of the U.S. Department of Commerce will meet on September 28, 1973, at 9:30 a.m. in Room

4833 of the Main Commerce Building, 14th and Constitution Avenue, NW., Washington, D.C.

Members advise the Office of Export Control, Bureau of East-West Trade, with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to semiconductor products, including technical data related thereto, and including those whose export is subject to multilateral (COCOM) controls.

Agenda items are as follows:

1. Comments on minutes of previous meeting.
2. Presentation of papers or comments by the public.
3. Review of work program.
4. Executive session:
a. Review of levels of control.
b. Discussion of further work on the review.
c. Discussion of information on foreign availability.
d. Problems related to export of technology.
5. Adjournment.

The public will be permitted to attend the discussion of agenda items 1–3, and a limited number of seats—approximately 15—will be available to the public for these agenda items. To the extent time permits, members of the public may present oral statements to the committee. Interested persons are also invited to file written statements with the committee.

With respect to agenda item (4), "Executive session," the Assistant Secretary of Commerce for Administration, on August 9, 1973, determined, pursuant to section 10(d) of Public Law 92–463, that this agenda item should be exempt from the provision of sections 10(a)(1) and (a)(3), relating to open meetings and public participation therein, because the meeting will be concerned with matters listed in (5 U.S.C. 552(b)(1)).

Further information may be obtained from Rauer H. Meyer, Director, Office of Export Control, Room 1886C, U.S. Department of Commerce, Washington, D.C. 20230 (A/C 202+967–4293).

Minutes of those portions of the meeting which are open to the public will be available 30 days from the date of the meeting upon written request addressed to: Central Reference and Records Facility, U.S. Department of Commerce Washington, D.C. 20230.

Dated September 14, 1973.

STEVEN LAZARUS,
Deputy Assistant Secretary for East-West Trade, U.S. Department of Commerce.

[FR Doc.73–19942 Filed 9–18–73;8:45 am]

TELECOMMUNICATIONS EQUIPMENT TECHNICAL ADVISORY COMMITTEE

Notice of Meeting

The Telecommunications Equipment Technical Advisory Committee of the U.S. Department of Commerce will meet September 26, 1973 at 9:30 a.m. in Room 4833 of the Main Commerce Building, 14th and Constitution Avenue, NW, Washington, D.C.

Members advise the Office of Export Control, Bureau of East-West Trade, with respect to questions involving technical matters, world-wide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to telecommunications equipment, including technical data related thereto, and including those whose export is subject to multilatral (COCOM) controls.

Agenda items are as follows:

1. Opening remarks by the Chairman.
2. Presentation of papers or comments by the public.
3. Technical problems relating to export control coverage of telecommunications equipment and related technology.
4. Licensing procedures relating to telecommunications equipment and technology.
5. Foreign availability of telecommunications equipment currently under licensing control, including extent of U.S. participation and use of U.S. technology—specific reports by members serving as task leaders:
a. Radio transmitting equipment.
b. PCM transmission equipment.
c. Computers, peripherals and other controlled components used in telecommunications switching equipment.
d. Frequency division multiplexed transmission equipment.
6. Methodology for selecting topics and setting priorities for panel study.
7. Selection of task leaders and assignments for next panel study period.
8. Executive Session:
a. Foreign availability, including state of the art in the USSR, Eastern Europe, and People's Republic of China.
b. Significant technical parameters from the strategic standpoint, including adequacy of present control definition or coverage.
9. Adjournment.

The public will be permitted to attend the discussion of agenda items 1–7, and a limited number of seats—approximately 15—will be available to the public for these agenda items. To the extent time permits, members of the public may present oral statements to the committee. Interested persons are also invited to file written statements with the committee.

With respect to agenda item (8), "Executive session," the Assistant Secretary of Commerce for Administration, on September 7, 1973, determined, pursuant to section 10(d) of Public Law 92–463, that this agenda item should be exempt from the provision of sections 10(a)(1) and (a)(3), relating to open meetings and public participation therein, because the meeting will be concerned with matters listed in 5 U.S.C. 552(b)(1).

Further information may be obtained from Rauer H. Meyer, Director, Office of Export Control, Room 1886C, U.S. Department of Commerce, Washington, D.C. 20230 (A/C 202 + 967–4293).

Minutes of those portions of the meeting which are open to the public will be available 30 days from the date of the meeting upon written request addressed to: Central Reference and Records Facility, U.S. Department of Commerce, Washington, D.C. 20230.

Dated September 14, 1973.

STEVEN LAZARUS,
Deputy Assistant Secretary for East-West Trade, U.S. Department of Commerce.

[FR Doc.73–19941 Filed 9–18–73;8:45 am]

Maritime Administration

[Docket No. S–391]

ATLANTIC RICHFIELD CO.

Notice of Amended Application

Notice is hereby given that Atlantic Richfield Company has amended its application with respect to the carriage of bulk cargoes, notice of which was published in the FEDERAL REGISTER issue of June 27, 1973 (FR Doc. 73–12946, 38 FR 16924). Under said application as amended, application is being made for operating-differential subsidy on the following listed vessels for the carriage of bulk cargoes and in the trades as described hereinbelow:

Applicant's name and address	Name of vessel	Type of vessel
Atlantic Richfield Co., 515 South Flower St., Los Angeles, Calif. 90071.	Atlantic Communicator.	Tanker.
	Sinclair Texas	Do.
	Arco Prudhoe Bay	Do.
	Arco Anchorage	Do.

The foregoing application may be inspected in the Office of the Secretary, Maritime Subsidy Board, Maritime Administration, U.S. Department of Commerce, Washington, D.C., during regular working hours.

These vessels are to engage in the carriage of export bulk raw and processed agricultural commodities in the foreign commerce of the United States (U.S.) from ports in the U.S. to ports in the Union of Soviet Socialist Republics (U.S.S.R.), or other permissible ports of discharge. Liquid and dry bulk cargoes may be carried from U.S.S.R. and other foreign ports inbound to U.S. ports during voyages subsidized for carriage of export bulk raw and processed agricultural commodities to the U.S.S.R.

Full details concerning the U.S.-U.S.S.R. export bulk raw and processed agricultural commodities subsidy program, including terms, conditions and restrictions upon both the subsidized operators and vessels, appear in the regulations published in the FEDERAL REGISTER of August 3, 1973 (38 FR 20807).

For purposes of section 605(c), Merchant Marine Act, 1936, as amended (Act), it should be assumed that each vessel named will engage in the trades described on a full-time basis. Each voyage must be approved for subsidy before commencement of the voyage. The Maritime Subsidy Board (Board) will act on each request for a subsidized voyage as an administrative matter under the terms of the individual operating-differential subsidy contract for which

there is no requirement for further notices under section 605(c) of the Act.

Any person having an interest in the granting of such application and who would contest a finding of the Board that the service now provided by vessels of U.S. registry for the carriage of cargoes as previously specified is inadequate, must, on or before September 26, 1973, notify the Board's Secretary, in writing, of his interest and of his position, and file a petition for leave to intervene in accordance with the Board's rules of practice and procedure (46 CFR Part 201). Each such statement of interest and petition to intervene shall state whether a hearing is requested under section 605(c) of the Act and with as much specificity as possible the facts that the intervenor would undertake to prove at such hearing.

In the event a hearing under section 605(c) of the Act is ordered to be held with respect to said application, the purpose of such hearing will be to receive evidence relevant to (1) whether the application hereinabove described is one with respect to vessels to be operated in an essential service, served by citizens of the U.S. which would be in addition to the existing service, or services, and if so, whether the service already provided by vessels of U.S. registry is inadequate and (2) whether in the accomplishment of the purposes and policy of the Act additional vessels should be operated thereon.

If no request for hearing and petition for leave to intervene is received within the specified time, or if the Board determines that petitions for leave to intervene filed within the specified time do not demonstrate sufficient interest to warrant a hearing, the Board will take such action as may be deemed appropriate.

(Catalogue of Federal Domestic Assistance Program No. 11.504, Operating-Differential Subsidies.)

Dated September 17, 1973.

By Order of the Maritime Subsidy Board.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc.73-20051 Filed 9-18-73;8:45 am]

[Docket No. S-392]

PRUDENTIAL-GRACE LINES, INC.

Notice of Application

Notice is hereby given that Prudential-Grace Lines, Inc. (PGL) has filed an application under the Merchant Marine Act, 1936, as amended (the Act), requesting permission, for a period of three years, for the SS BARBARA JANE to be chartered to United States citizen charterers for use in carrying petroleum and petroleum products in bulk in the domestic intercoastal and coastwise trades. The BARBARA JANE is a tank vessel owned by World Wide Tankers, Inc., an affiliate of PGL.

Inasmuch as PGL is a subsidized U.S. flag operator, written permission of the Maritime Administration under section 805(a) of the Act will be required for the chartering of the SS BARBARA JANE for operation in the domestic intercoastal and coastwise trade.

Interested parties may inspect this application in the Office of The Secretary, Maritime Administration, Department of Commerce Building, Fourteenth & E Streets NW., Washington, D.C. 20230.

Any person, firm or corporation having any interest (within the meaning of section 805(a)) in the application and desiring to be heard on issues pertinent to section 805(a) or desiring to submit comments or views concerning the application must, by the close of business on Oct. 1, 1973, file same with the Maritime Administration, in writing, in triplicate, together with petition for leave to intervene which shall state clearly and concisely the grounds of interest, and the alleged facts relied on for relief.

If no petitions for leave to intervene are received within the specified time or if it is determined that petitions filed do not demonstrate sufficient interest to warrant a hearing, the Maritime Administration will take such action as may be deemed appropriate.

In the event petitions regarding the relevant section 805(a) issues are received from parties with standing to be heard, a hearing has been tentatively scheduled for 10 a.m. on Oct. 3, 1973, in Room 4896, Department of Commerce Building, Fourteenth & E Streets NW., Washington, D.C. 20230. The purpose of the hearing will be to receive evidence under section 805(a) relative to whether the proposed operation (a) could result in unfair competition to any person, firm or corporation operating exclusively in the coastwise or intercoastal services, or (b) would be prejudicial to the objects and policy of the Act.

By Order of the Maritime Administration.

Dated September 17, 1973.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc.73-20052 Filed 9-18-73;8:45 am]

National Oceanic and Atmospheric Administration

MARINE MAMMAL PROTECTION ACT

Notice of Granting of Exemption on Grounds of Undue Economic Hardship

Notice is hereby given that, on September 11, 1973, as authorized by section 101(c) of the Marine Mammal Protection Act of 1972 ((16 U.S.C. 1361) 86 Stat. 1027 (1972)) and § 216.13 of the Regulations Governing the Taking and Importing of Marine Mammals and Marine Mammal Products (37 FR 28177, December 21, 1972), an exemption from the provisions of the Act on grounds of undue economic hardship was issued to the following named person, authorizing him to engage in the following described activity, subject to the conditions specified in the Letter of Exemption:

The Fouke Company, Route 1, P.O. Box 168, Whitehorse Road, Greenville, South Carolina 29611 (Mr. George H. Heinz, President), to import into the United States 50,500 skins of South African Cape fur seals (*Arctocephalus pusillus pusillus*) from the Republic of South Africa by no later than midnight EDT October 20, 1973, for the purpose of processing these skins and selling them in accordance with the usual business practices of the Company.

There was a finding of undue economic hardship if an exemption were not granted. Granting of the exemption would not result in a measurable adverse effect on the stocks of seals involved or the associated ecosystem.

Copies of the application for the exemption, of the Letter of Exemption and of all supporting documents except documents containing information exempt from public disclosure pursuant to the Freedom of Information Act (5 U.S.C. 522(b)), are available for inspection at the Office of the Director, National Marine Fisheries Service, Washington, D.C. 20235; copies of the application and the Letter of Exemption are also at the National Marine Fisheries Service Regional Offices. The Regional Offices are located at the following addresses: Southwest Region, 300 South Ferry Street, Terminal Island, California 90731, telephone 213-831-9281; Northeast Region, Federal Building, 14 Elm Street, Gloucester, Massachusetts 01930, telephone 617-281-0640; Southeast Region, Duval Building, 9450 Gandy Boulevard, St. Petersburg, Florida 33701, telephone 813-893-3141; Northwest Region, Lake Union Building, 1700 Westlake Avenue North, Seattle, Washington 98109, telephone 206-442-7575; Alaska Region, P.O. Box 1668, Juneau, Alaska 99801, telephone 907-586-7221.

The exemption has been granted to allow the company a grace period to adjust its business activities to the requirements of the Act and it shall not constitute a precedent for any request that the Company may submit with respect to a waiver of the moratorium.

ROBERT W. SCHONING,
Director, National Marine Fisheries Service.

SEPTEMBER 13, 1973.

[FR Doc.73-19882 Filed 9-18-73;8:45 am]

National Technical Information Services

GOVERNMENT-OWNED INVENTIONS

Notice of Availability for Licensing

The inventions listed below are owned by the U.S. Government and are available for licensing in accordance with the GSA Patent Licensing Regulations.

Copies of Patent applications, either paper copy (PC) or microfiche (MF), can be purchased from the National Technical Information Service (NTIS), Springfield, Virginia 22151, at the prices cited. Requests for copies of patent applications must include the PAT-APPL

number and the title. Requests for licensing information should be directed to the address cited with each copy of the patent application.

Paper copies of patents cannot be purchased from NTIS but are available from the Commissioner of Patents, Washington, D.C. 20231, at $0.50 each. Requests for licensing information should be directed to the address cited below for each agency.

DOUGLAS J. CAMPION,
Patent Program Coordinator, National Technical Information Service.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, Assistant General Counsel for Patent Matters; NASA—Code GP-2, Washington, D.C. 20546.

Patent Application 306,980: Telemetry Processor; filed November 15, 1972; PC $6.00/MF $1.45.

Patent Application 361, 666: Integrable Power Gyrator; filed May 18, 1973; PC $3.25/MF $1.45.

Patent 3,728,861: Ion Thruster with A Combination Keeper Electrode and Electron Baffle; filed April 24, 1973; not available NTIS.

Patent 3,729,343: Thermocouple Tape; filed January 8, 197 ; not available NTIS.

Patent 3,729,676: Ratemeter; filed July 13, 1971; not available NTIS.

Patent 3,729,743: Collapsible Structure for an Antenna Reflector; filed October 26, 1971; not available NTIS.

Patent 3,729,935: Solid Propellant Rocket Motor; filed May 28, 1971; not available NTIS.

Patent 3,732,040: Pump for Delivering Heated Fluids; filed March 2, 1971; not available NTIS.

Patent 3,732,158: Method and Lapparatus for Sputtering Utilizing an Apertured Electrode and a Pulsed Substrate Bias; filed January 14, 1971; not available NTIS.

U.S. ATOMIC ENERGY COMMISSION, Assistant General Counsel for Patents, Washington, D.C. 20545.

Patent Application 25,005: Gradient Armor System; filed April 2, 1970; PC $3.00/MF $0.95.

Patent Application 108,826: Multiple Lens Camera for Obtaining Time-Sequential Images; filed January 22, 1971; PC $3.00/MF $0.95.

Patent Application 123,362: Method for Production of Uniform Microspheres; filed March 11, 1971; PC $3.00/MF $0.95.

Patent Application 151,111: Superconductive Material and Method of Manufacturing; filed June 8, 1971; PC $3.00/MF $0.95.

Patent Application 155,012: Hybrid Laser Plasma Target—Neutral Beam Inhection Fiusion System; filed June 21, 1971; PC $3.50/MF $0.95.

Patent Application 178,988: Ultrasonic Void Fraction Detector; filed September 9, 1971; PC $3.00/MF $0.95.

Patent Application 203,248: Improved Loading Disk for Photometric Analyzer of Rotary Curveite Type; filed November 30, 1970; PC $3.00/MF $0.95.

Patent Application 206,468: Improved Rotor for Multistation Photometric Analyzer; filed December 9, 1971; PC $3.00/MF $0.95.

Patent Application 215,159: A Method for Dispersing Crl 3+ Ions Impregnated in Silica; filed January 3, 1972; PC $3.00/MF $0.95.

Patent Application 216,947: Porous Metal Insulator Sandwich Membrane; filed January 11, 1972; PC $3.00/MF $0.95.

Patent Application 227,172: Improved Pulse Processing System; filed February 17, 1972; PC $3.00/MF $0.95.

Patent Application 228,676: Irrigation System; filed February 23, 1972; PC $3.00/MF $0.95.

Patent Application 260,237: Method for Preparation of Biocompatible and a Biofunctional Materials and Product Thereof; filed June 6, 1972; PC $3.25/MF $0.95.

Patent Application 265,049: Computer Generated Optical Sound Tracks; filed June 21, 1972; PC $3.00/MF $0.95.

Patent Application 277,192: Dynamic Multistation Photometric Analyzer for Serological Testing: filed August 2, 1972; PC $3.00/MF $0.95.

Patent Application 282,814: Dynamic Multistation Photometer-Fluorometer; filed August 22, 1972; PC $3.00/MF $0.95.

Patent Application 288,801: Zeeman Effect Absorption Spectrometer; filed September 13, 1972; PC $3.25/MF $0.95.

Patent Application 316,628: Portable Dynamic Multistation Photometer Fluorometer; filed December 19, ----; PC $3.00/MF $0.95.

Patent 3,371,558: Rotary Drilling Device; filed February 15, 1966, patented March 5, 1968; not available NTIS.

Patent 3,673,872: Cryogenic Sound Supported Intertial Reference; filed February 1, 1966, patented July 4, 1972; not available NTIS.

Patent 3,693,731: Method and Apparatus for Tunneling by Melting; filed January 8, 1971, patented September 26, 1972; not available NTIS.

Patent 3,695,384: Non-Meniscus Forming Orifices; filed September 25, patented October 3, 1972; not available NTIS.

Patent 3,697,259: Fluxless Aluminum Brazing Composition; filed October 2, 1970, patented October 10, 1972; not available NTIS.

Patent 3,699,474: Multiple Beam Laser System; filed November 20, 1971, patented October 17, 1972; not available NTIS.

Patent 3,701,080: Miniature Coaxial Cable Connector; filed June 2, 1971, patented October 24, 1972; not available NTIS.

Patent 3,702,279: Fibrous Thermal Insulation and Method for Preparing Same; filed April 7, 1971, patented November 7, 1972; not available NTIS.

Patent 3,702,450: Printed Circuit Steering Coils; filed May 11, 1971, patented November 7, 1972; not available NTIS.

Patent 3,702,589: Bimetallic Temperature Sensing Device; filed February 8, 1968, patented November 14, 1972; not available NTIS.

Patent 3,702,620: Actuator System; filed August 10, 1971, patented November 14, 1972; not available NTIS.

Patent 3,702,724: Ferroelectric Ceramic Plate Electrooptical Light Scattering Device and Method; filed October 13, 1971, patented November 14, 1972; not available NTIS.

Patent 3,702,932: Melting Cryogen Cooling for Radiation Logging Probe; filed April 15, 1971, patented November 14, 1972; not available NTIS.

Patent 3,702,961: Demand Regulated DC to DC Power Supply; filed March 19, 1971, patented November 14, 1972; not available NTIS.

Patent 3,703,208: Reduction of Radioactive Gas Contamination of Nuclear Detonations in Geological Formations; filed January 22, 1971, patented November 21, 1972; not available NTIS.

Patent 3,703,405: Vapor Deposition of Rhenium and Rhenium-Tungstien Alloy Coatings; filed October 27, 1970, patented November 21, 1972; not available NTIS.

Patent 3,707,188: Non Collapse Slemming of Casing Subjected to Explosive Effects; filed April 27, 1971, patented December 26, 1972; not available NTIS.

Patent 3,723,703: Laser Energized Plasma Source; filed February 8, 1971, patented March 27, 1973; not available NTIS.

Patent 3,706,029: Rotators to Resolve Each Parameter; filed November 16, 1971, patented December 12, 1972; not available NTIS.

Patent 3,707,869: Airborne Isokine IC Sampler; filed June 9, 1971, patented January 2, 1973; not available NTIS.

Patent 3,723,730: Multiple Ion Source Array; filed November 30, 1971, patented March 27, 1973; not available NTIS.

Patent 3,718,583: Method for the Concentration of Heavy Metal Cations Using Ion Selective Membranes; filed November 29, 1971, patented February 27, 1973; not available NTIS.

Patent 3,723,594: Rare Earth Removal from Americium Oxide; filed May 18, 1972, patented March 27, 1973; not available NTIS.

Patent 3,723,741: Method for Effecting Nuclear Polarization of A Beam of Atoms; filed September 1, 1971, patented March 27, 1973; not available NTIS.

[FR Doc.73-19872 Filed 9-18-73;8:45 am]

United States Travel Service

TRAVEL ADVISORY BOARD

Notice of Meeting

The Travel Advisory Board of the U.S. Department of Commerce will meet September 25 at 9:30 a.m. in Room 4830 of the Main Commerce Building, 14th Street and Constitution Avenue NW., Washington, D.C. 20230.

Members advise the Secretary of Commerce and the Assistant Secretary of Commerce for Tourism on policies and programs designed to accomplish the purposes of the International Travel Act of 1961, as amended.

Agenda items are as follows:

GENERAL SESSION

(1) Opening remarks by Assistant Secretary of Commerce for Tourism, C. Langhorne Washburn.

(2) Remarks by Under Secretary of Commerce, John K. Tabor.

(3) Review and discussion of USTS programs and activities.

EXECUTIVE SESSION

A closed Executive Session will be convened following the general session to discuss internal memoranda which relate to proposed revisions of USTS' future programs, objectives, and plans. Pursuant to section 10(d) of the Federal Advisory Committee Act, Pub. L. 92-463, it has been formally determined by the Assistant Secretary of Commerce for Administration, with the concurrence of the General Counsel, that these matters fall within section 552(b)(5) of Title 5 of the United States Code, and the public interest requires such matters to be withheld from disclosure. The specific exemption is the intra-agency communications exemption set forth in subsection (5) of section 552(b) of Title 5. Accordingly, the Executive Session shall be closed to the public and shall be exempt from the provisions of sections 10(a)(1) and 10(a)(3) of the Federal Advisory Committee Act, relating to public attendance and participation.

Established in July 1968, the Travel Advisory Board consists of senior representatives of 15 U.S. travel industry segments who are appointed by the Secretary of Commerce to serve two year terms.

A limited number of seats—approximately 14—will be available to observers from the public and the press for the General Session. The public will be permitted to file written statements with the Committee before or after the meeting. To the extent time is available after the General Session the presentation of oral statements will be allowed.

Robert Jackson, Director of Information Services of the United States Travel Service, Room 1525, U.S. Department of Commerce, Washington, D.C. 20230, telephone 202-967-4987 will respond to public requests for information about the meeting.

C. LANGHORNE WASHBURN,
Assistant Secretary for Tourism
U.S. Department of Commerce.

[FR Doc.73-19876 Filed 9-18-73;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Center for Disease Control

OCCUPATIONAL SAFETY AND HEALTH

Applications for Certification of Certain Gas Detector Tube Units

In the FEDERAL REGISTER of May 8, 1973 (38 FR 11458), the Department adopted regulations which set forth the requirements and procedures for the evaluation and certification of gas detector tube units (42 CFR Part 84). In accordance with § 84.3(a) of the regulations, notice is hereby given that the National Institute for Occupational Safety and Health will accept applications for certification of gas detector tube units pursuant to the following schedule:

Gas	Dates for submittal	Test standard (ppm)
1. Sulfur Dioxide (SO_2)	Oct. 1-31, 1973	5.0
2. Hydrogen Sulfide (H_2S)	Nov. 1-31, 1973	10.0
3. Carbon Dioxide (CO_2)	Dec. 1-31, 1973	5000.0

All applications and any questions concerning the certification program should be submitted to the Institute's Testing and Certification Laboratory, 944 Chestnut Ridge Road, Morgantown, W. Va. 26505.

Dated September 10, 1973.

MARCUS M. KEY,
Director, National Institute for Occupational Safety and Health.

[FR Doc.73-19870 Filed 9-18-73;8:45 am]

Office of the Secretary

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT

Statement of Organization, Functions, and Delegations of Authority

Part 1 of the Statement of Organization, Functions, and Delegations of Authority of the Department of Health, Education, and Welfare is amended to add a new section 1T300101 to reflect the establishment of the Operations Staff responsible directly to the Deputy Assistant Secretary for Administration. The new Section reads as follows:

1T300101.00 *Mission.* Formulates recommendations for plans and policies to the Deputy Assistant Secretary for Administration. Implements or oversees the implementation of the internal management policies and procedures for the organizational elements that comprise the Office of Administration. Prepares management studies on organizational effectiveness, suggests methods for improvement, and develops and monitors an operational planning system.

1T300101.10 *Organization.* The Operations Staff is under the direction of a Director who reports directly to the Deputy Assistant Secretary for Administration. The Staff consists of:

Internal Management Section
Budget and Finance Section

1T300101.20 *Functions.* Internal Management Section.

1. Develops policy and procedures on administrative matters.

2. Prepares, coordinates, and distributes DHEW FEDERAL REGISTER documents. Prepares internal manuals and directives as necessary.

3. Maintains staff files and implements paperwork management policy and procedures.

4. Maintains committee participation roster.

5. Coordinates requests for personal actions with DPO.

6. Performs staff duties for the Collective Bargaining Official.

7. Maintains liaison with DHEW Safety Program.

8. Coordinates on-the-job and other training activities.

9. Coordinates facilities (space) requirements.

10. Maintains equipment and furniture inventory and controls.

11. Conducts reviews of organizations, functions, and delegations of authority.

12. Conducts analyses of operations and management practices and procedures.

13. Develops and maintains the Office of Administration Operational Planning System and the Office's applications of the Manpower Utilization program.

14. Prepares reports pertinent to the Office of Administration participation in DHEW Management Improvement Program.

15. Develops performance indices and standards data for management review of effectiveness of the Office of Administration operations.

B. Budget and Finance Section

1. Formulates budget estimates and oversees the preparation of the operating budget and other aspects of budget execution.

2. Maintains or keeps in touch with those who maintain funds control and coordination of accounting and reporting.

3. Coordinates the budgetary and fiscal activities of the Working Capital Fund in cooperation with the Assistant Secretary, Comptroller.

4. Produces statistics to review Management's posture relative to program objectives and budget constraints.

5. Maintains position control data.

6. Develops and publishes periodic status of funds reports for organizational units and top management.

Dated September 13, 1973.

S. H. CLARKE,
Acting Assistant Secretary for Administration and Management.

[FR Doc.73-19908 Filed 9-18-73;8:45 am]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal Disaster Assistance Administration

[Docket No. NFD-125; FDAA-398-DR]

TEXAS

Amendment to Notice of Major Disaster

Notice of Major Disaster for the State of Texas, dated July 11, 1973, and published July 16, 1973 (38 FR 18918), and amended July 24, 1973, and published July 31, 1973 (38 FR 20359), is hereby further amended to include the following county among those counties determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of July 11, 1973:

The County of:
Sabine

Dated September 13, 1973.

(Catalog of Federal Domestic Assistance Program No. 50.002, Disaster Assistance.)

THOMAS P. DUNNE,
Administrator, Federal Disaster Assistance Administration.

[FR Doc.73-19887 Filed 9-18-73;8:45 am]

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. EX73-7; Notice 1]

ALBANY MOTOR CARRIAGE COMPANY

Petition for Temporary Exemption From Motor Vehicle Safety Standards

The Albany Motor Carriage Company Ltd. of Christchurch, Hampshire, England has applied for temporary exemptions for its Vintage Car Type A passenger car from certain safety standards on

grounds of substantial economic hardship.

Albany manufactured 28 vehicles between July 1972, and July 1973. It intends to manufacture no more than 300 units for sale in the United States before terminating production, and therefore does not intend to achieve conformance with exempted standards. All exemptions requested are for the statutory maximum, 3 years. The vehicle is an open two-seater replica of vehicles manufactured in Great Britain in the first decade of the 20th century. Although it is powered by a contemporary Triumph Spitfire engine its top speed is limited to 40 mph. The company requests exemption from all or part of the following standards, for the reasons stated: Nos. 103 (the vehicle has no doors or sides), 104 (the vehicle does not need two wiping speeds due to the low top speed), 109 and 110 (the tires and rims are larger than those covered by the standards), 201 (the standard is intended for closed vehicles), 202, 208, 209, and 210 (compliance would involve substantial costs and destroy the character and hence the sales appeal of the vehicle).

In support of its petition Albany states that the total planned production of the Model A is 600 units, half of which are destined for the American market, and that "all costings have been based on this production run." There are no alternative markets capable of absorbing the planned USA sales of 300 units, and if the car cannot be sold in the USA "the product is not a viable commercial proposition and must be abandoned and the company wound up with a consequent loss of dollars already invested." Albany has made certain modifications to the vehicle which it briefly describes, so that it will conform with Standards Nos. 101, 102, 105, 108, 114, 204, and portions of 104. The company has submitted financial information from the date of incorporation, April 22, 1971, forward, together with a projected balance sheet as of March 31, 1974.

This notice of receipt of a petition for a temporary exemption is published in accordance with the NHTSA regulations on this subject (49 CFR 555.7), and does not represent any agency decision or other exercise of judgment concerning the merits of the petition.

Interested persons are invited to submit comments on the petition of Albany described above. Comments should refer to the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 5221, 400 Seventh Street, SW., Washington, D.C. 20590. It is requested but not required that five copies be submitted.

All comments received before the close of business on the comment closing date indicated below will be considered. The application and supporting materials, and all comments received, are available for examination in the docket both before and after the closing date. Comments received after the closing date will also be filed and will be considered to the extent possible. If the petition is granted, notice will be published in the FEDERAL REGISTER pursuant to the authority indicated below.

Comment closing date.—October 18, 1973.

Proposed effective date.—Date of issuance of exemption.

(Sec. 3, Pub. L. 92-548, 86 Stat. 1159 (15 U.S.C. 1410), delegations of authority at 49 CFR 1.51 and 49 CFR 501.8.)

Issued on September 12, 1973.

ROBERT L. CARTER,
Associate Administrator,
Motor Vehicle Programs.

[FR Doc.73-19824 Filed 9-18-73;8:45 am]

ATOMIC ENERGY COMMISSION

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS SUBCOMMITTEE ON INDIAN POINT NUCLEAR STATION UNIT 3

Notice of Meeting

SEPTEMBER 17, 1973.

In accordance with the purposes of section 29 and 182 b. of the Atomic Energy Act (42 U.S.C. 2039, 2232 b.), the Advisory Committee on Reactor Safeguards Subcommittee on Indian Point Nuclear Station Unit 3 will hold a meeting on October 10, 1973, in Room 1046, at 1717 H Street NW., Washington, D.C. The purpose of this meeting will be to continue the Committee's formal Operating License review of Indian Point Unit 3. This facility is located at Buchanan, New York.

The following constitutes that portion of the Subcommittee's agenda for the above meeting which will be open to the public.

WEDNESDAY, OCTOBER 10, 9:30 A.M.–3:30 P.M.

The Subcommittee will hear presentations by Regulatory Staff and representatives of Consolidated Edison Company of New York and their representatives and hold discussions with these groups pertinent to issuance of an Operating License for Indian Point Unit 3.

In connection with the above agenda item, the Subcommittee will hold an executive session beginning at 8:30 a.m. which will involve a discussion of its preliminary views, and an executive session at the end of the day, consisting of an exchange of opinions of the Subcommittee members present and internal deliberations for the purpose of formulation of recommendations to the ACRS. In addition, prior to the executive session at the end of the day, the Subcommittee may hold a closed session with the Regulatory Staff and applicant to discuss privileged information relating to plant security and fuel design, if necessary.

I have determined, in accordance with subsection 10(d) of Pub. L. 92-463, that the executive session at the beginning and end of the meeting will consist of an exchange of opinions and formulation of recommendations, the discussion of which, if written, would fall within exemption (5) of 5 U.S.C. 552(b) and that a closed session may be held, if necessary, to discuss certain information relating to plant security and fuel design which is privileged and falls within exemption (4) of 5 U.S.C. 552(b). It is essential to close such portions of the meeting to protect such privileged information and protect the free interchange of internal views and to avoid undue interference with agency or Committee operation.

Practical considerations may dictate alterations in the above agenda or schedule.

The Chairman of the Subcommittee is empowered to conduct the meeting in a manner that in his judgment will facilitate the orderly conduct of business.

With respect to public participation in the open portion of the meeting, the following requirements shall apply:

(a) Persons wishing to submit written statements regarding the agenda items may do so by mailing 25 copies thereof, postmarked no later than October 3, 1973, to the Executive Secretary, Advisory Committee on Reactor Safeguards, U.S. Atomic Energy Commission, Washington, D.C. 20545. Such comments shall be based upon the Preliminary Safety Analysis Report and related documents on file and available for public inspection at the Atomic Energy Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20545, and the Hendrick Hudson Free Library, 31 Albany Post Road, Montrose, New York 10548.

(b) Those persons submitting a written statement in accordance with paragraph (a) above may request an opportunity to make oral statements concerning the written statement. Such requests shall accompany the written statement and shall set forth reasons justifying the need for such oral statements and its usefulness to the Subcommittee. To the extent that the time available for the meeting permits, the Subcommittee will receive oral statements during a period of not more than 30 minutes at an appropriate time, chosen by the Chairman of the Subcommittee, between the hours of 1:30 p.m. and 3:00 p.m. on the day of the meeting.

(c) Requests for the opportunity to make oral statements shall be ruled on by the Chairman of the Subcommittee, who is empowered to apportion the time available among those selected by him to make oral statements.

(d) Information as to whether the meeting has been cancelled or rescheduled and in regard to the Chairman's ruling on requests for the opportunity to present oral statements, and the time allotted, can be obtained by a prepaid telephone call on October 9, 1973, to the Office of the Executive Secretary of the Committee, telephone: 301-973-5651, between 8:30 a.m. and 5:15 p.m., Eastern Daylight Time.

(e) Questions may be propounded only by members of the Subcommittee and its consultants.

(f) Seating for the public will be available on a first-come, first-served basis.

(g) A copy of the transcript of the open portions of the meeting will be available for inspection during the following workday at the Atomic Energy Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20545, and within approximately nine days at the Hendrick Hudson Free Library, 31 Albany Post Road, Montrose, New York 10548. On request, copies of the minutes of the meeting will be made available for inspection at the Atomic Energy Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20545, on or after December 10, 1973. Copies may be obtained upon payment of appropriate charges.

JOHN C. RYAN,
Advisory Committee Management Officer.

[FR Doc.73-20017 Filed 9-18-73;8:45 am]

CIVIL AERONAUTICS BOARD

[Order 73-9-53]

DEPARTMENT OF DEFENSE

Order Granting Extension of Temporary Relief Granted to Certain Unauthorized Indirect Air Carriers to Transport Household Goods

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 13th day of September 1973.

From time to time, at the request of the Department of Defense (DOD) the Board has granted relief from provisions of the Federal Aviation Act of 1958 (the Act) to permit 40 unauthorized indirect air carriers to transport used household goods[1] of Department of Defense personnel. A condition for obtaining such relief was that the firm seeking it have on file with the Board an application for air freight forwarder authority. The relief was to expire 180 days after the Board's decision in the Household Goods Air Freight Forwarder Investigation, Docket 20812, became final[2] or, as to each individual company, upon Board disposition of such company's application for interstate and/or international air freight forwarder authority, whichever event shall occur first.[3]

Since the processing of a number of the applications could not be concluded prior to the expiration of the temporary relief and the Department of the Army, acting in behalf of DOD, requested extension of such relief, the Board extended the temporary relief for 90 days.[4] A supplemental extension of 60 days was granted[5] and such relief is to expire on September 16, 1973.

Delays have been encountered in resolving control and/or interlocking relationship matters, some of which are complex. As a result, the applications of the eight applicants named in the appendix will not be completed prior to expiration of the extended deadline. Furthermore, in its July 6 letter, the Department of the Army requested an extension of the temporary relief for a reasonable period in those cases where processing could not be completed by the time limit previously set. We construe that letter to be a request for whatever additional extension of the temporary relief is necessary to complete the processing.

In view of these circumstances and DOD's request, the Board finds that further extension of the temporary relief to those carriers named in the appendix hereto[6] is in the public interest, and has decided to extend such relief for a period of 90 days to December 16, 1973.

Accordingly, it is ordered:

1. That pursuant to sections 101(3) and 204 of the Federal Aviation Act of 1958, as amended, the carriers listed in the appendix hereto are hereby relieved from the provisions of Title IV of the Act to the extent necessary to transport by air used household goods of personnel of DOD upon tender by that Department;

2. That the relief granted herein shall become effective September 17, 1973 and terminate on December 16, 1973, or as to each individual company named in the appendix hereto, upon Board disposition of such company's application for interstate and/or international air freight forwarded authority, whichever event shall occur first;

3. That this order may be amended or revoked at any time in the discretion of the Board without hearing; and

4. That copies of this order shall be served on the Military Traffic Management and Terminal Service, U.S. Army, and the companies listed in the appendix below.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[FR Doc.73-19932 Filed 9-18-73;8:45 am]

[1] The term "used household goods" means personal effects (including unaccompanied baggage) and property used or to be used in a dwelling, when a part of the equipment or the supply of such dwelling, but specifically excludes (1) furniture, fixtures, equipment and the property of stores, offices, museums, institutions, hospitals, or other establishments, when a part of the stock, equipment or supply of such stores, offices, museums, institutions, hospitals or other establishments, and (2) objects of art (other than personal effects), displays and exhibits.

[2] Order on reconsideration issued October 16, 1972. Temporary relief was to expire April 16, 1973.

[3] Order 71-10-56, dated October 13, 1971.

[4] Order 73-4-57, dated April 12, 1973.

[5] Order 73-7-56, dated July 13, 1973.

[6] Filed as part of the original document.

CIVIL SERVICE COMMISSION

DEPARTMENT OF AGRICULTURE

Notice of Revocation of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission revokes the authority of the Department of Agriculture to fill by noncareer executive assignment in the excepted service the position of Deputy Assistant Secretary for Rural Development and Conservation, Office of the Secretary.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19955 Filed 9-18-73;8:45 am]

DEPARTMENT OF DEFENSE

Notice of Title Change in Noncareer Executive Assignment

By notice of November 17, 1967, FR Doc. 67-13608, the Civil Service Commission authorized the departments and agencies to fill by noncareer executive assignment, certain positions removed from Schedule C of Civil Service Rule VI by 5 CFR 213.3301a on November 17, 1967. This is notice that the title of one such position so authorized to be filled by noncareer executive assignment has been changed from Deputy Director of Civil Defense for Special Activities, Office of the Director, Office of Civil Defense, Office of the Secretary of the Army, Department of the Army to Deputy Director, Defense Civil Prepardness Agency, Immediate Office of the Director, Defense Civil Prepardness Agency.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19945 Filed 9-18-73;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Notice of Grant of Authority To Make a Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Health, Education, and Welfare to fill by noncareer executive assignment in the excepted service the position of Deputy Assistant Secretary for Education (Policy Development), Office of the Assistant Secretary for Education, Education Division.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19947 Filed 9-18-73;8:45 am]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Notice of Revocation of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission revokes the authority of the Department of Housing and Urban Development to fill by noncareer executive assignment in the excepted service the position of Assistant to the Secretary (Public Affairs).

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19953 Filed 9-18-73;8:45 am]

DEPARTMENT OF LABOR

Notice of Title Change in Noncareer Executive Assignment

By notice of November 17, 1967, FR Doc. 67-13608, the Civil Service Commission authorized the departments and agencies to fill by noncareer executive assignment, certain positions removed from Schedule C of Civil Service Rule IV by 5 CFR 213.3301a on November 17, 1967. This is notice that the title of one such position so authorized to be filled by noncareer executive assignment has been changed from Deputy Administrator, Wage and Hour and Public Contracts Divisions, Office of the Administrator to Deputy Wage and Hour Administrator, Employment Standards Administration.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19946 Filed 9-18-73;8:45 am]

DEPARTMENT OF TRANSPORTATION

Notice of Grant of Authority To Make a Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Transportation to fill by noncareer executive assignment in the excepted service the position of Chief Counsel, Federal Aviation Administration.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19950 Filed 9-18-73;8:45 am]

DEPARTMENT OF TRANSPORTATION

Notice of Grant of Authority To Make a Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Transportation to fill by noncareer executive assignment in the excepted service the position of Director of Intergovernmental Affairs, Office of the Secretary.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19951 Filed 9-18-73;8:45 am]

DEPARTMENT OF TRANSPORTATION

Notice of Revocation of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission revokes the authority of the Department of Transportation to fill by noncareer executive assignment in the excepted service the position of Special Assistant to the Deputy Under Secretary, Office of the Secretary.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19952 Filed 9-18-73;8:45 am]

EXPORT-IMPORT BANK

Notice of Title Change in Noncareer Executive Assignment

By notice of January 15, 1971, FR Doc. 71-549, the Civil Service Commission authorized the Export-Import Bank to fill by noncareer executive assignment the position of Senior Vice President for Planning and Export Expansion. This is notice that the title of this position is now being changed to Senior Vice President for Public Affairs and Export Expansion.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19944 Filed 9-18-73;8:45 am]

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

Notice of Grant of Authority To Make a Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Special Action Office for Drug Abuse Prevention to fill by noncareer executive assignment in the excepted service the position of General Counsel.

UNITED STATES CIVIL SERVICE COMMISSION,
JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19948 Filed 9-18-73;8:45 am]

SMALL BUSINESS ADMINISTRATION

Notice of Grant of Authority To Make a Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Small Business Administration to fill by noncareer executive assignment in the excepted service the position of Assistant Administrator for Planning, Research and Analysis.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.73-19949 Filed 9-18-73;8:45 am]

COST OF LIVING COUNCIL

[Order No. 43]

EXECUTIVE DIRECTOR, NATIONAL COMMISSION FOR INDUSTRIAL PEACE

Delegation of Authority

Pursuant to the authority vested in me as Executive Secretary of the Cost of Living Council by Cost of Living Council Order Number 25 (38 FR 12775, May 15, 1973), I hereby delegate to the Executive Director of the National Commission for Industrial Peace authority to:

1) Determine, in accordance with the provisions of the Federal Advisory Committee Act (Pub. L. 92-462, 86 Stat. 770), that meetings of the National Commission for Industrial Peace shall be closed, subject to the concurrence of the General Counsel of the Cost of Living Council; and

2) Sign notices with respect to meetings of the National Commission for Industrial Peace for publication in the FEDERAL REGISTER.

This delegation is effective as of September 17, 1973.

HENRY H. PERRITT, JR.,
Executive Secretary, Cost of Living Council.

[FR Doc.73-19978 Filed 9-17-73;8:45 am]

[Order No. 42]

ADMINISTRATOR, OFFICE OF FOOD

Delegation of Authority

Pursuant to the authority vested in me as Director of the Cost of Living Council by Cost of Living Council Order Nos. 14 and 29, it is hereby ordered as follows:

1. There is delegated to the Administrator, Office of Food, subject to the general policy guidance of and in coordination with the Director of the Cost of Living Council, or his delegate, authority to:

(a) Make decisions and issue orders with respect to prenotified price increases and all other filings from firms engaged in food manufacturing, food service activities, food wholesaling, or food retailing requiring decisions;

(b) Make decisions and issue orders with respect to individual requests for exceptions from firms engaged in food manufacturing, food service activities, food wholesaling, or food retailing or for class exceptions pertaining thereto;

(c) Make decisions and issue orders with respect to all requests for reconsideration of adverse actions taken by the Cost of Living Council or the Internal Revenue Service with respect to firms engaged in food manufacturing, food service activities, food wholesaling, or food retailing; and

(d) Request information and conduct hearings with respect to functions delegated in this paragraph.

2. The Administrator, Office of Food, may redelegate to personnel within the Office of Food any authority delegated to him by this order.

3. In exercising the authority delegated by this order or redelegated pursuant thereto officials of the Cost of Living Council shall be governed by the regulations and rulings of the Cost of Living Council and by the policies, procedures, and controls prescribed by the Director of the Cost of Living Council, or his delegate.

4. Actions taken by the Administrator, Office of Food, under paragraph 1(c) of this order, are administratively final. Review of these actions may be sought in the appropriate Federal district court pursuant to section 211 of the Economic Stabilization Act of 1970, as amended (Public Law 92-210, 85 Stat. 744).

5. This order is effective August 13, 1973.

JOHN T. DUNLOP,
Director,
Cost of Living Council.

[FR Doc.73-20090 Filed 9-18-73;10:19 am]

ENVIRONMENTAL PROTECTION AGENCY

ANTIMICROBIAL PROGRAM ADVISORY COMMITTEE

Notice of Meeting

Pursuant to Pub. L. 92-463, notice is hereby given that a meeting of the Antimicrobial Program Advisory Committee will be held at 10:00 a.m., September 25, 1973, in Room E412, East Tower, Waterside Mall, 401 M Street SW., Washington, D.C.

This will be the first meeting of this Committee, which will be organizational, essentially, and may extend into the second day. The agenda includes brief addresses to the membership from Dr. Henry Korp, Deputy Assistant Administrator for Pesticide Programs; Dr. Leonard R. Axelrod, Director, Criteria and Evaluation Division; Mr. John Ritch, Sr., Director, Registration Division; Dr. William S. Murray, Director, Technical Services Division; and Dr. John V. Osmun, Director, Operations Division. The rules and regulations under which the Committee must function will be reviewed with the members, and some of the most pressing problems confronting Registration Division will be discussed.

The meeting will be open to the public. Any member of the public wishing to participate or present written or oral views should contact Dr. William G. Roessler, Executive Secretary, Antimicrobial Program Advisory Committee, 202-755-2562.

DAVID D. DOMINICK,
Assistant Administrator
for Hazardous Materials Control.

SEPTEMBER 12, 1973.

[FR Doc.73-19857 Filed 9-18-73;8:45 am]

PESTICIDE CONTROL ACT IMPLEMENTATION

Notice of Hearing

On January 9, 1973, the Environmental Protection Agency published in the FEDERAL REGISTER (38 FR 1142) an Implementation Plan for the Federal Environmental Pesticide Control Act of 1972. That document set forth the Agency's general plan for implementing the Act, informed the public as to the dates when the different sections became or become effective, and invited preliminary views as to form and content of the regulations.

A further statement was published in the FEDERAL REGISTER (38 FR 3002) on January 31, 1973. This statement explained in detail the procedures to be followed by the Agency in supplementing those major sections of the Act which become fully effective in from 1 to 4 years, and solicited comments from interested persons on specific questions and issues. The statement also designated six subgroups to consider in detail procedures for the implementation of sections 3, 4, 5, 7, 8, and 24 of the Act, and listed the subgroups, their membership, and the issue areas to be considered by each group.

After further consideration of the issues listed under these subgroups, it was concluded that certain of these issues should be discussed in a public meeting to afford interested parties an additional opportunity to participate in the rule making process. Such meetings were held in several locations around the country earlier this year.

In response to the great interest shown by Region V, notice is hereby given that an additional one-day meeting open to the general public will be held as follows:

9:00 a.m., September 20, 1973, in the Mayfair Room, Sheraton-Blackstone Hotel, S. Michigan Avenue and E. Balboa Street, Chicago, Illinois.

Suggestions and comments are invited from all interested parties on how the subgroup should treat the following issues:

1. Section 3(d)—Classification of Pesticides.

The Act provides that within two years of enactment, all pesticides shall be classified for either general or restricted use. Comments are invited regarding the criteria and procedure which should be followed in implementing this provision.

2. Section 4—Certification of Applicators.

The Act provides that the pesticides designated as restricted shall be applied by or under the direct supervision of certified applicators or shall be subject to such other restrictions that the Administrator may provide by regulations. The certification of applicators is expected to be conducted by the States in accordance with plans approved by the Administrator. Comments are invited regarding the certification procedure pertaining especially to State responsibilities.

3. Section 24(c)—State registration of Pesticides to meet "Special Local Needs."

The Act provides for delegation of authority to State agencies to issue limited registrations of intrastate products to meet special local needs. The State agency must be certified by the Administrator as capable of exercising the necessary control to insure that such registrations will be in accord with the purposes of the Act. Comments are invited regarding the requirements for State certification to register products under this provision.

Persons wishing to make their views known to this Agency are invited to attend this meeting. Oral statements will be limited; however, written statements may be filed for the record. Four copies will be required, and may be presented to the receptionist at the hearing. Those who desire to make comments but are unable to attend the hearing may send written comments to Dr. A. Charles Lincoln, Chief, Pesticides Branch, EPA Region V, 1 North Wacker Drive, Chicago, Illinois 60606.

Done this 12th day of September 1973.

DAVID D. DOMINICK,
Assistant Administrator for
Hazardous Materials Control.

[FR Doc.73-19858 Filed 9-18-73;8:45 am]

FEDERAL COMMUNICATIONS COMMISSION

[FCC 73-899]

ALABASTER CARPHONE CO. AND TELPAGE, INC.

Memorandum Opinion and Order; Designating Applications for Consolidated Hearing on Stated Issues

In regard applications of Alabaster Carphone Company, Helena, Alabama, Docket No. 19806 File No. 811-C2-P-72, and Telpage, Inc., Tuscaloosa, Alabama, Docket No. 19807 File No. 1468-C2-P-72; for construction permits for new facilities in the Domestic Public Land Mobile Radio Service.

1. Before the Commission for consideration are the captioned applications to establish new two-way radiotelephone stations to operate on the 152.12-158.58 MHz frequency pair at Alabaster and Tuscaloosa, Alabama in the Domestic Public Land Mobile Radio Service (DPLMRS). Alabaster and Tuscaloosa, Alabama are only about 45 miles apart, and the applications are mutually exclusive, because the grant to both to operate on the same radio channels in the same locality would result in mutually harmful

electrical interference. Since both applicants appear to be legally, financially, and otherwise qualified to construct and operate the proposed facilities, the applications must be designated for comparative hearing to determine which applicant is better qualified to operate the proposed facilities in the public interest. Ashbacker Radio Corp. v. FCC, 326 U.S. 327 (1945).

2. The application of Alabaster Carphone Co. (Carphone) was filed on August 12, 1971. It appears from the application that Carphone was at the time of filing the original application a partnership of W. Rene Hill and Wallace Glasscock. Each partner had a 50 percent financial interest in the partnership; however, by letter dated February 8, 1972, the Carphone application was amended to show Mr. W. E. Glasscock to be the sole owner of Carphone, having purchased the partnership interest formerly held by W. Rene Hill. Mr. Glasscock is also the sole owner of Radio Dispatch Service, which is the licensee of Radio Station KIJ 352 operating in the DPLMRS in the Birmingham, Alabama, area. Prior to February 15, 1971, Mr. Glasscock was also the owner of Radio Dispatch Service which was the licensee of DPLMRS Radio Station KIY 733 in the Huntsville, Alabama, area. However, this station was sold for $13,000 pursuant to FCC consent dated January 1971.

3. The cost estimated by Carphone to establish its proposed facilities, as disclosed by its application, is $4,500. (Carphone Application, filed August 12, 1971, p. 5). A balance sheet submitted as Exhibit 8 to the same application discloses Mr. Glasscock's Current Assets to be $30,448.42 out of Total Assets of $120,848.44. Although Current Liabilities were stated to be $39,208.77, Deferred Liabilities were $10,318.43 with a Net Worth of $71,321.74.

4. Technically, Carphone proposes to operate its base station from a transmitter location in Helena, Shelby County, Alabama at a point 3 miles west of Highway 31 South at Alabaster, with 15F2 and 16F3 emissions and Input/Output powers of 220 and 120 watts. A Motorola Type CC 3040 C transmitter is also proposed, as well as a Decibel Products DB 224 E antenna and a Belden RG-8 transmission line. Carphone's antenna is to be located on top of a watertank mast, with the top of the antenna to be 130.5 feet above ground level. Appropriate frequency measuring equipment will be used to insure frequency stability. Mr. Glasscock will be in control of the proposed station, but installation and maintenance will be performed by Mr. Joe Cameron who holds First Class Radio Operator's License P 1613097.

5. The Carphone application was the subject of an informal protest filed February 18, 1972 by Telpage, Inc. (Telpage), the other competing applicant in this proceeding. The grounds of the informal protest are two: first, that Carphone did not have a proper certificate of Public Convenience and Necessity from the State of Alabama, as required by § 21.15(C)(4) of our rules, and, second, that the change in identity from a partnership to a proprietorship by Carphone amounted to a major amendment of the Carphone application, and thereby constituted grounds for its dismissal. We are of the view that the protest ought to be denied because, first, Carphone does have a proper certificate from the State of Alabama to serve the Alabaster area; and, second, the change in the business organization of Carphone does not constitute a major amendment of its application. The original Carphone application (Item #42, Exhibit 6) stated that the applicant did not intend to interconnect its station with the telephone company landline system "at that time", but if and when it did it would obtain appropriate state approval.

6. It appears that this state approval was sought, and obtained in PSC orders of April 26, 1972 and May 5, 1972. In its April 26, action[1] the Alabama Public Service Commission (PSC) found that Mr. Glasscock had been issued an Alabama Certificate of Public Convenience and Necessity on March 16, 1964 to operate a "Miscellaneous Common Carrier Service", and that he had requested recertification as required by the Alabama Radio Utility Act, No. 1595, enacted September 28, 1971. The Alabama Commission's opinion further recited that Mr. Glasscock had entered into an interconnection agreement with the South Central Bell Telephone Company, and it found that there would be in the future a public need and necessity for the service offered or proposed by Mr. Glasscock. It further found that the applicant has the "facilities, experience, personnel and financial ability to provide the public with the service contemplated", and that the contemplated service to the general public within its service area would be at rates which are "reasonable, uniform, and non-discriminatory" (PSC Op. & Order, p. 2). Mr. Glasscock was issued a certificate, therefore, authorizing him, subject to the licensing requirements of the FCC, to operate as a miscellaneous common carrier in intrastate communications, furnishing both interconnected two-way service and one-way radio service on a secondary basis within 40 miles of its base station in Birmingham, Alabama. The appropriate tariffs and rates on file by Mr. Glasscock with the FCC were considered to be the appropriate tariffs and rates for furnishing Mr. Glasscock's portion of the service being authorized by the Alabama Commission.

7. On May 5, 1972, the Alabama PSC in its Docket No. 16513, held that Carphone did not need a new certificate to serve Alabaster since Mr. Glasscock, its owner, already held a Certificate of Public Convenience and Necessity. The PSC held, however, that the certificated area already defined in the certificate was not to be enlarged. Alabaster is approximately 20 miles south of Birmingham; and Carphone, by letter dated May 6, 1972 to the Commission stated that the contour of its proposed station would be wholly confined within a circle of 40-mile radius of Birmingham. We conclude, based upon the foregoing, that Carphone has the requisite certificate of Public Convenience and Necessity, as required by Alabama law and our rules (§ 21.5 (c)(4)).

8. The Telpage contention that the change of Carphone's business organization from a two-person partnership in which each partner has a 50 percent investment, to a proprietorship constitutes a major change in Carphone's application requiring its rejection, must be overruled. First, under § 21.23(c) of the rules, the amendment of the Carphone application does not fall within the category of examples described; it does not change a frequency; improve operating characteristics, enlarge service contours or materially alter the nature of its proposed service; nor do we consider it to be otherwise a major amendment of the Carphone application. Mr. Glasscock, prior to dissolution of the partnership, had a 50 percent ownership interest (or negative control) of Carphone. After the amendment Mr. Glasscock has sole control; but his prior responsibilities for the day-to-day operation of the station remain unaffected. Likewise, the responsibility for maintenance of the transmitter appears unaffected. Considering all the circumstances, we deem the change in ownership in Carphone to be one which does not materially alter the nature of the proposed service within the meaning of § 21.23(d) of our rules,[2] and we therefore, do not consider it to be a major change in its application.

9. Telpage is an Alabama Corporation, with its principal office located in Birmingham, Alabama, and was formerly known as Paresco, Inc. The principals of Telpage are Mr. Charles L. Escue, President, and Mr. James T. Parsons, Vice President. Both are 49 percent stockholders, whose wives each own 1 percent of Telpage stock. Mr. and Mrs. Escue are the sole stockholders and officers of Birmingham Communications, Inc., of Birmingham, Alabama, which employs approximately 12 persons in the installation and maintenance of communications equipment.

10. Telpage's financial qualifications are demonstrated in a balance sheet dated July 31, 1971 showing Total Current Assets of $3,958.86 and Total Stockholder's Equity of $4,712.76. Construction costs, estimated to be $8,000 for base station construction and $15,000 for 15

[1] *W. E. Glasscock d.b.a. Carphone Radio Telephone Dispatch Service* (Informal Docket No. U-2493).

[2] Section 21.23(d) states: "Amendments other than major amendments within the meaning of paragraph (c) of this section, will be considered on a case-by-case basis, and if found to materially alter an existing or proposed station, will be deemed to be a major change and will thereafter be listed in a public notice and subject to the provisions of section 21.27."

mobile units, are to be met under the terms of a standard Motorola lease-purchase agreement requiring 10 percent down and the balance payable in 60 months. Under terms of the Agreement, Telpage would pay $2,300 down, with the balance spread over 60 months.

11. Telpage proposes to erect its antenna at a point approximately 4 miles southeast of the Tuscaloosa County Court House, at a point 900 feet southwest of 2715 Skyland Boulevard. A Motorola Type CC 3040 C base station transmitter with 15F2/16F3 emission, with transmitter Input/Output powers of 220 and 120 watts, respectively, is proposed; and the mobile units will be FCC Type-Accepted. The Telpage antenna will be mounted on top of a 180-foot tower, and the top of the antenna will be 199 feet above ground. Maintenance of the Telpage transmitter will be provided by Chism Communications Service, Tuscaloosa, Alabama. Mr. Taylor Chism holds FCC Radio Telephone License Number P1-6-11089.

12. Telpage has a certificate issued by the Alabama Public Service Commission (PSC) on May 1, 1972, permitting it to offer to the general public in its service area within a 40-mile radius of Tuscaloosa, Alabama, two-way mobile radio communication service interconnected with the facilities of South Central Bell Telephone Company ("Bell"). The PSC found that the services offered by Telpage are essentially different from the service that Bell is presently authorized to offer in the same area, in that Telpage will provide message relay service and will transmit and relay messages as a secretarial service to its customers. The PSC found that there is presently and there would be in the future, a public need and necessity for the service proposed by Telpage, and that Telpage has the facilities, experience, personnel, and financial ability to provide the service contemplated. The PSC certificate issued to Telpage is subject to the licensing requirements of the FCC, and the requirement that the tariffs and rates filed by Telpage with the FCC are the appropriate tariffs and rates for furnishing Telpage's portion of the service authorized by the PSC.

13. Since it appears that both applicants are legally, financially, and otherwise qualified to construct and operate their proposed stations, *It is ordered*, Pursuant to sections 309 (d) and (e) of the Communications Act of 1934, as amended (47 U.S.C. § 309 (d) and (e)), that the captioned applications of Alabaster Carphone Company and Telpage, Inc., are designated for hearing in a consolidated proceeding upon the following issues:

1. To determine the nature and extent of services proposed by each applicant, including the rates, charges, personnel, practices, classifications, regulations, and facilities pertaining thereto.

2. To determine the total area and population to be served by Alabaster Carphone, Inc. within the 37 dbu contour of its proposed station, based upon the standards set forth in Section 21.504 of the FCC Rules and Regulations; and to determine the need for its proposed service in that area.[2]

3. To determine the total area and population to be served by Telpage, Inc., within the 37 dbu contour of its proposed station, based upon the standards set forth in Section 21.504 of the FCC Rules and Regulations; and to determine the need for the proposed service in that area.[2]

4. To determine, in light of the evidence adduced pursuant to the foregoing issues, which, if either, of the above-captioned applicants would better serve the public interest, convenience, and necessity.

14. *It is further ordered*, That the hearing shall be held at the Commission offices in Washington, D.C., at a time and place, and before an Administrative Law Judge, to be specified in a subsequent order.

15. *It is further ordered*, That the Burden of proof upon Issue 2 is upon Alabaster Carphone Company; the burden of proof upon Issue 3 is upon Telpage, Inc.; and the burden of proof upon Issues 1 and 4 is upon both applicants.

16. *It is further ordered*, That the Chief, Common Carrier Bureau, is made a party to the proceeding.

17. *It is further ordered*, That applicants and party respondent may avail themselves an opportunity to be heard by filing with the Commission pursuant to § 1.221(c) of the Commission's rules within twenty days of the release date hereof, a written notice stating an intention to appear on the date set for the hearing and present evidence on the issues specified in this Memorandum Opinion and Order.

By the Commission.

Adopted September 6, 1973.

Released September 12, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[4]
[SEAL] VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19912 Filed 9-18-73;8:45 am]

PANEL 5 OF CABLE TV TECHNICAL ADVISORY COMMITTEE

Notice of Meeting

SEPTEMBER 12, 1973.

Panel 5 of the Cable Television Technical Advisory Committee will hold an open meeting on Friday, September 28, 1973, at 10 a.m. The meeting will be held at the FCC Cable Bureau, 6th Floor Conference Room, 2025 M Street NW., Washington, D.C. The agenda of the meeting will include:

(1) Approval of minutes of last meeting.
(2) Review of interaction with other organizations and committees.
(3) Review of Panel 5 objectives and timetable.
(4) Task assignments.
(5) Other business.
(6) Next meeting date.
(7) Adjournment.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19921 Filed 9-18-73;8:45 am]

RADIO TECHNICAL COMMISSION FOR MARINE SERVICES

Notice of Meetings

SEPTEMBER 12, 1973.

In accordance with Pub. L. 92-463, "Federal Advisory Committee Act," the following is a listing of September meetings of the Radio Technical Commission for Marine Services (RTCM):

SPECIAL COMMITTEE No. 67

"Vessel Traffic Systems", 5th meeting. Thursday, September 13, 1973—10:00 a.m. (All day meeting). Conference Room A-110, 1229 20th Street NW., Washington, D.C.

PRINCIPAL AGENDA ITEMS

a. Report on Executive Committee action re Terms of Reference.
b. Discussion of U.S. Coast Guard Vessel Traffic Systems Study.
c. Discussion on Proposed Rules for Puget Sound Vessel Traffic System.
d. Status Reports on Work Assignments.

SPECIAL COMMITTEE No. 64

"MF, HF, and VHF Maritime Radioteleprinter and Data Systems and Operations", 39th Meeting. Tuesday, September 18, 1973—9:30 a.m. (All day meeting), Conference Room 205, 1229 20th Street NW., Washington, D.C.

PRINCIPAL AGENDA ITEMS

a. Report on MarAd developmental program for a Digital Selective Calling System.
b. Discussion of Comments on FCC Notice of Inquiry for 1974 Maritime Conference. (FCC Docket No. 19325)
c. Discussion of Direct Printing and Data Systems.

Chairman, SC-64, H. T. Blaker, Collins Radio Company, Arlington, Va. 22209 (Phone: (703) 524-9503).

SPECIAL COMMITTEE No. 66

"Receiver Standards for the Maritime Mobile Service", 14th Meeting, Wednesday, September 19, 1973—9:00 a.m. (All day meeting), Conference Room 205, 1229 20th Street NW., Washington, D.C.

PRINCIPAL AGENDA ITEM

a. Preparation of "Minimum Standards for Portable VHF Receivers in the Maritime Mobile Service".

Chairman, SC-67, Capt. B. Smith, Gulf Oil Corporation, Philadelphia, Pa. 19101 (Phone: (215) 839-6111).

RTCM EXECUTIVE COMMITTEE

Thursday, September 20, 1973, 1:45 p.m., Conference Room 847, 1919 M Street NW., Washington, D.C.

[2] Section 21.504(a) of the Commission's Rules and Regulations describes a field strength contour of 37 decibels above one microvolt per meter as the limit of the reliable service area for base stations engaged in the one-way communications service. Propagation data set forth in § 21.504(b) are a proper basis for establishing both the location of the service contours and the areas of harmful interference for the facilities involved in this proceeding.

[4] Commissioner Robert E. Lee absent. Commissioner Johnson concurring in the result.

PRINCIPAL AGENDA ITEMS

a. Progress Reports on currently active committees.

b. Status Reports on other committees.

c. Approval of New Membership Applications.

d. Appointment of Budget Committee.

e. Discussion on 1974 St. Petersburg Assembly Meeting.

f. Discussion on application of "Federal Advisory Committee Act" (Pub. L. 92-463) as relating to RTCM.

g. Approval of SC-66 Report: "Minimum Standards for VHF Receivers in the Maritime Mobile Service." April 24, 1973.

h. Reports on recent developments relating to satellite communications for the Maritime service.

Agendas, working papers, and other appropriate documentation for each committee meeting are available at that meeting. Those desiring more specific information may contact either the designated Committee Chairman or the RTCM Secretariat. (Phone: (202) 632-6490)

The RTCM has acted as a coordinator for maritime telecommunications since its establishment in 1947. Problems are studied by Special Committees and the final reports are approved by the RTCM Executive Committee. All RTCM meetings are open to the public.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19920 Filed 9-18-73;8:45 am]

[FCC 73-950]

SPORTS EVENTS BY CBS AND NBC

Memorandum Opinion and Order Regarding Prime Time Waiver

In the matter of requests for waiver of the prime time access rule (§ 73.658(k) of the Commission's rules) in connection with sports events, by Columbia Broadcasting System and National Broadcasting Company.

1. The Commission here considers certain requests for waiver of the prime time access rule (§ 73.658(k) of the Commission's rules) with respect to various sports events to be televised on networks during the fall and early winter of 1973. These requests were filed by Columbia Broadcasting System, Inc. (CBS) on August 24, 1973 and by National Broadcasting Company, Inc. (NBC) on August 7, 1973, with additional requests and information submitted August 23 and August 31. Since a general decision in the overall prime time access rule proceeding, Docket 19622, is expected fairly early this fall, we do not here consider the post-season pro football games included in these requests, occurring after December 16, 1973, which present some circumstances different from regular-season games.

2. Aside from the post-season football games mentioned, CBS requests a blanket waiver to cover its Sunday fall NFL National Football Conference football telecasts, tentatively scheduled to include 21 games on 13 dates between September 16 and December 9. All of these games, and whatever others may be included in the schedule, will start no later than about 4 p.m. e.t. (3 p.m. c.t., etc.), and waiver is sought only in the event of a "runover" beyond three hours, or after 7 p.m. e.t., to permit stations to carry the games to completion plus the usual three hours of evening CBS programs.

3. NBC's request is somewhat more elaborate. It asks for a similar blanket "runover" waiver for national or regional coverage of regular season NFL American Football Conference games scheduled to begin no later than 4 p.m., e.t. and which are expected to conclude no later than 7 p.m., e.t. (6 p.m., c.t.). The request also includes various post-season baseball game telecasts in October, the American and National League playoff games and then the World Series. These may be summarized as follows:

(a) "Runover" waivers for afternoon playoff and World Series games (the latter, at least, preceded by pre-game shows) where the telecast, or the second game of a playoff doubleheader, will start about 4 p.m., e.t., or where two playoff games will start at about 2 and about 3:30 e.t. and NBC will switch back and forth during the latter part of the afternoon;

(b) Two or three weekday evening World Series games starting with a pre-game show at 8 p.m., e.t.:

(1) "Runover" waiver is sought for the Mountain time zone stations, where the program will start at 6 p.m. e.t. and could run later than 9 p.m., m.t. (prime time in the Mountain zone is 6-10 p.m.).

(2) For Pacific time zone owned and affiliated stations, where prime time is 7-11 p.m., p.t. and the World Series telecast (evening in the East) will occur from about 5 to 8 p.m., p.t., it is requested that stations be permitted to schedule programs on the assumption that the World Series telecast will occupy only one hour of prime time, so that stations may follow it with two hours of material such as a special West Coast "network" schedule for NBC affiliates, or movies which are "off-network" and recently shown in the market.[1]

(3) Extension of the "network news following an hour of local news" waiver concept, which has prevailed under the rule,[2] to permit presentation of the NBC evening news by West Coast stations immediately after the World Series, about 8 p.m. p.t., if they have preceded the World Series with an hour of local news or public affairs programs.

4. CBS and NBC make essentially the same arguments. It is asserted that "runover" waivers were specifically contemplated in the original Report and Order in Docket No. 12782[3] and have been granted for the past two seasons; and, for that matter, all policy questions presented by these requests have been previously acted on.[4] Both networks argue that we should reach a decision now, and not wait until the overall proceeding concerning the prime time access rule, Docket No. 19622 is decided. That decision is not expected before late September and the parties here must make scheduling and sales plans which cannot wait until that time. They also point out that a decision now would be in accordance with the Commission policy of maintaining the status quo, which, in these instances, would include waivers of types previously granted.[5] The networks say that all of the events, including pre-game shows, if there are to be any, have been scheduled in such a way so as to minimize the possibility of intrusion into the access period by runovers, or to limit such intrusions to the less populous time zones. They also state that although there have been numerous requests for these runover type waivers, they are, for these events at least, seldom used (none for CBS regular season football games in 1972). Finally, both networks argue that the full presentation of the events under consideration to their conclusion is in the public interest.

Discussion and conclusions. 5. Upon consideration of the above, we are of the view that, except as noted below, these requested waivers should be granted. With respect to the CBS and NBC regular-season professional football games, waiver for these has been granted on the same basis in two previous years. It appears from past experience unlikely that they will last longer than three hours in the normal course of events, so that a 4 p.m., e.t. starting time appears appropriate and within the principle of "footnote 35", noted above. The same appears true of NBC's afternoon playoff and World Series baseball games, with one qualification: That where a pre-game show is involved, the game itself should start by 4:15 p.m., e.t. (in other words, we are prepared to assume that these games themselves will last no longer than 2:45 in the absence of extra inning play, but not that they will be completed in 2:30 or less).

6. As to the evening World Series requests, as has been mentioned before these present no problem in the Eastern and Central time zones, which is where the bulk of the top 50 markets and their TV homes are located, provided they start no earlier than 8 p.m., e.t. As was the case last year (see 37 FCC 2d 573), we believe that waiver is warranted, to take care of possible "runovers" beyond three hours for the game telecasts themselves, in the Mountain time zone, and, on the

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[1] In the rest of the U.S., the World Series telecast will be the only NBC programming on these evenings.

[2] Footnote 36 of the Report and Order in Docket No. 12782, 23 FCC 2d 382, 395 (May 7, 1970).

[3] Footnote 35 of the Report and Order in Docket 12782, 23 FCC 2d 392.

[4] Various Requests for Waivers in Connection with Sports Events, 32 FCC 2d 58 (October 1971); and 37 FCC 2d 110 (September 1972). See also Network News Following Sports Events, 37 FCC 2d 573 (October 1972).

[5] The networks cite Mutual of Omaha (Wild Kingdom), FCC 73-696, 27 R.R. 2d 1567, released July 17, 1973.

West Coast, to permit the carriage of the game itself at the beginning of prime time, plus two additional hours of material which is not eligible for unrestricted presentation during prime time under the rule (e.g., recently shown movies). We have noted in previous decisions the problems involved in these zones, when special live "simultaneous" material such as sports must be fitted into the usual pattern of delayed broadcasting; and we believe a similar approach is appropriate here. With respect to permitting Mountain and Pacific zone stations to carry the NBC nightly news on these evenings after the World Series (provided the station has presented an hour of local news just before the World Series), we granted this waiver last year (see 37 FCC 573), and see no reason to change our conclusions. However, it appears that this waiver should be subject to the same conditions imposed in our 1972 action: that these stations regularly carry on the same day of the week (in the absence of live, simultaneous network programming) an hour of local news or public affairs followed by network news; that they in fact carry on this particular day an hour of local news or public affairs immediately before the World Series; and that (taking into account the fact that two waivers apply to these situations) a half-hour of prime time on these stations remain free for the presentation of non-network material not restricted by the rule.

7. As to the arguments concerning the status quo, pending the overall decision, this policy was adopted late last year and early in 1973, when it appeared that decision in Docket 19622 would be reached by May or June of this year. This has not occurred; moreover, while decision is expected rather shortly, it does not appear likely that any substantial change in the rule will be put into effect before fall 1974. Therefore, as stated in another recent decision, we have, to some extent, modified this principle. However, in connection with the present matters, there is nothing in the comments filed in Docket 19622, or other circumstances, which indicate an approach different from that which has been adopted in the past, and therefore we are continuing the waiver policies adopted last year and before.

8. In view of the foregoing: *It is ordered*, That: notwithstanding the limitations contained in § 73.658(k), during the period ending December 16, 1973:

(a) Stations affiliated with (or owned commonly with) CBS and NBC networks may carry to completion professional baseball or regular-season football games (but not including any post-game material), without any of the time counting toward the permissible three hours of network prime-time programming, provided the game itself starts no later than about 4 p.m. e.t., or where it is a playoff or championship baseball game preceded by a "pre-game show" and the game itself starts no later than about 4:15 p.m., e.t.;

(b) Stations affiliated or under common ownership with the NBC network in the Mountain and Pacific time zones may schedule and present NBC evening World Series telecasts, and other NBC or off-network or recently shown movie programming the same evening, on the assumption that the World Series telecast occupies no more than three hours of prime time in the Mountain time zone and no more than one hour of prime time in the Pacific time zone; and

(c) Stations affiliated or under common ownership with the NBC network in the Mountain and Pacific time zones may present the NBC Nightly News following the World Series telecasts, without its counting toward the permissible three hours of network, off-network or recently shown movie programming, where all of the following conditions are met:

(1) At least a half-hour of prime time on the evening involved shall be devoted to material which is not network programming, off-network material, nor feature film shown in the market within the past two years;

(2) the station presents, immediately before the World Series, a full hour of local news or public affairs (except for commercial announcements or PSA's); and

(3) the station's regular schedule, when live simultaneous network programming is not involved, for the same day of the week as that involved in the waiver, includes an hour of local news or public affairs and a half-hour of network news between the hours of 5 and 7:30 p.m. local time.

Adopted September 11, 1973.

Released September 14, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[*]
VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19919 Filed 9-18-73;8:45 am]

[*] Commissioner Robert E. Lee absent; Commissioner H. Rex Lee concurring in the grant of the waivers for sports run-over but dissenting to grant of other waiver requests. Commissioner Johnson dissenting.

[Canadian List No. 314]

CANADIAN STANDARD BROADCAST STATIONS

Notification List

List of new stations, proposed changes in existing stations, deletions, and corrections in assignments of Canadian standard broadcast stations modifying the assignments of Canadian broadcast stations contained in the Appendix to the Recommendations of the North American Regional Broadcasting Agreement Engineering Meeting January 30, 1941.

AUGUST 31, 1973.

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
		1000 kHz							
(New)	Rimouski, Quebec, N. 48°-23'09", W. 68°41'22".	10	DA-2	U	II				E.I.O. 8.31.74.
		1220 kHz							
CJRB (assignment of call letters)	Boissevain, Manitoba, N. 49°15'20", W. 100°03'24".	10	DA-2	U	II				
		1510 kHz							
CIVH (assignment of call letters)	Vanderhoof, British Columbia, N. 54°00'59", W. 123°-59'34".	1D/0.25N	ND-192	U	IV	200	120	250-310	
		1540 kHz							
CKNR (daytime power increase)	Elliot Lake, Ontario, N. 46°-22'40", W. 82°37'58".	1D/0.25N	ND-195	U	IV	199	120	300	
		1400 kHz							
(New)	Golden, British Columbia, N. 51°18'13," W. 116°58'26".	1D/0.25N	ND-185	U	IV	1150	120	281	E.I.O. 8.31.74.

[SEAL]

WALLACE E. JOHNSON,
Chief, Broadcast Bureau,
Federal Communications Commission.

[FR Doc.73-19923 Filed 9-18-73;8:45 am]

[FCC 73-893]

SALEM BROADCASTING CO., INC., ET AL.

Memorandum Opinion and Order Modifying Issues

In regard applications of Salem Broadcasting Co., Inc., Salem, New Hampshire, Docket No. 19434, File No. BP-18325; New Hampshire Broadcasting Corp., Salem, New Hampshire, Docket No. 19435, File No. BP-18479; Spacetown Broadcasting Corp., Derry, New Hampshire, Docket No. 19436, File No. BP-18492; for construction permits (38 FR 7358).

1. This proceeding, involving the above-captioned mutually exclusive applications for new daytime only Class II-D stations on 1110 kilohertz, was designated for hearing on various issues by our Memorandum Opinion and Order, FCC 72-136, 33 FCC 2d 672, released February 15, 1972.

2. Presently before us are the following matters: (a) A joint petition for waiver, filed March 20, 1973, by Salem Broadcasting Co., Inc. (Salem), and New Hampshire Broadcasting Corp. (New Hampshire); (b) oppositions filed March 29 and 30, 1973, by the Chief, Broadcast Bureau and by Spacetown Broadcasting Corp. (Spacetown), respectively; and (c) a joint reply filed April 12, 1973, by Salem and New Hampshire. In order to place the above matters in their proper perspective, it is necessary to recount briefly herein some recent developments which have substantially altered the posture of this proceeding since it was last before us.

3. After we designated this proceeding for hearing Spacetown filed a motion to enlarge issues based upon information contained in the 1970 U.S. Census Report, contending that the most recent information now available for Salem, New Hampshire, raises substantial and material questions of fact regarding whether or not the proposals of Salem and New Hampshire still fall within the exceptions to the Commission's prohibited overlap rule, § 73.37.[1] In its Memorandum Opinion and Order, FCC 72R-333, 38 FCC 2d 1970, released November 22, 1972, the Review Board generally agreed with Spacetown's contentions in this respect and, accordingly, added hearing issues to this proceeding to determine whether petitioners' applications violate § 73.37 (a), and if so, whether the proposals still fall within the exceptions to the overlap rule as contained in § 73.37(b) or whether they should be dismissed.[2]

4. In view of the above developments, Salem and New Hampshire (hereafter petitioners) have filed the instant joint petition for waiver of § 73.37 of the Rules. Essentially, they contend that they should not have been penalized because the town of Salem has increased in population; that they have prosecuted their applications in good faith and had no control over these new developments which now call into question their prior eligibility under the exceptions to the Commission's overlap rule; that, in any event, their proposals conform to the spirit of the Commission's pronouncements set forth in the Report and Order [Docket No. 15084, 29 FR 9492 at 9495, 2 RR 2d 1658 at 1668 (1964)] adopting this particular rule and the exceptions thereto;[3] and that, consequently, a waiver is justified in this case.

5. We believe that it would be premature to consider the merits of the petitioners' request for waiver at this juncture of the proceeding and on the basis of the information before us.[4] To adopt such a procedure now would undermine the orderliness of the Commission's processes. We do not, however, believe that the events described above should foreclose development at the evidentiary hearing of the parties' arguments for and against waiver, if it is determined that the petitioners' applications do not qualify for an exception to the rule.[5] The actions taken herein should not be construed as indicating how the waiver request should be disposed of, if indeed such a disposition is eventually required.

6. In view of the foregoing, we are convinced that both the public interest and the Commission's processes will be better served by dismissing the petitioners' request for waiver on the grounds that it is prematurely before us, and by modifying, of our own motion, the appropriate hearing issues in this proceeding in accordance with the above determinations. Also on our own motion, we shall delete hearing Issues (a) and (d), which were added by the Review Board (38 FCC 2d 170 at page 182). In our opinion, the matters to be explored under those hearing issues were acknowledged by the petitioners upon the filing of their applications and were appropriately considered prior to the Commission's acceptance of such applications; the recent developments in this proceeding have not raised any substantial or material questions of fact regarding these matters; and consequently, no useful purpose would be served by further delving into these matters in the evidentiary hearing.

7. Accordingly, *It is ordered*, That the joint petition for waiver, filed March 20, 1973, by New Hampshire Broadcasting Corp. and Salem Broadcasting Co., Inc., is dismissed without prejudice.

8. *It is further ordered*, That the hearing issues added in this proceeding by the Review Board (38 FCC 2d 170 at 182) are modified as follows:

(1) Hearing Issues (a) and (d) are deleted in their entirety;

(2) Hearing Issue (b) is amended to read: "to determine whether the application of Salem Broadcasting Co., Inc., still falls within any of the exceptions contained in § 73.37(b) of the Commission's rules and, if not, whether a waiver of § 73.37 should be granted or the application dismissed"; and

(3) Hearing Issue (e) is amended to read: "To determine whether the application of New Hampshire Broadcasting Corp. still falls within any of the exceptions contained in § 73.37(b) of the Commission's rules and, if not, whether a waiver of § 73.37 should be granted or the application dismissed."

Adopted September 6, 1973.

Released September 11, 1973.

FEDERAL COMMUNICATIONS COMMISSION,[7]
VINCENT J. MULLINS,
Acting Secretary.

[FR Doc.73-19918 Filed 9-18-73;8:45 am]

[1] At the time of designation and based upon the most recent information then available to the Commission (1960 U.S. Census Report), we concluded that even though these two proposals violated § 73.37(a), they were nevertheless acceptable for filing and could be granted, if otherwise appropriate, because they qualified under an exception to the overlap rule [§ 73.37(b)], which provides that a first standard broadcast station in a community of any size wholly outside of an urbanized area may be authorized notwithstanding prohibited overlap.

[2] The Review Board also refused to consider both a request for waiver of § 73.37 by Salem and New Hampshire and a request to consider proffered information submitted by these two applicants which attempted to show their eligibility under another exception to the overlap rule.

[3] Petitioners contend that their proposals will achieve the results stated by the Commission in that rulemaking proceeding; i.e., to provide at least one local broadcast station to as many communities as possible, except where relatively small communities (under 25,000 population) "largely of a suburban character" are involved, because such communities may be served by stations in nearby urban areas.

[4] Any determinations by us with respect to a waiver of the rule at this stage of the proceeding may very well be academic, since petitioners have contended in these pleadings, as well as in pleadings before the Review Board, that their proposals in fact qualify under a different exception contained in § 73.37(b) when tested against the most recent population figures for the town of Salem.

[5] As we construe the Review Board's Memorandum Opinion and Order (*supra*, at paragraph 3) adding hearing issues [Issues (b) and (e)] to this proceeding, in the event it is determined in the evidentiary hearing that the petitioners do not now qualify under the exceptions contained in § 73.37(b), their applications could be summarily dismissed without the opportunity to present their cases for waiver of the rule.

[7] Commissioner Robert E. Lee absent; Commissioner Wiley concurring in the result.

FEDERAL POWER COMMISSION

ALGONQUIN GAS TRANSMISSION CORP.

Notice of Rate Change Pursuant to Purchased Gas Cost Adjustment Provision; Correction

AUGUST 21, 1973.

In the Notice of Rate Change Pursuant to Purchased Gas Cost Adjustment Provision, issued July 30, 1973 and published in the FEDERAL REGISTER August 7, 1973, 38 FR 21298: First paragraph, change

the filing date July 24, 1973 to July 17, 1973.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19831 Filed 9-18-73;8:45 am]

[Docket No. RP71-122]

ARKANSAS LOUISIANA GAS CO.

Notice of Tariff Filing

SEPTEMBER 11, 1973.

Take notice that on July 6, 1973, Arkansas Louisiana Gas Company (Arkla), in purported compliance with ordering paragraph (C) of Opinion No. 643-A and order issued April 10, 1973, and ordering paragraph (B) of Opinion No. 643-B and order issued on June 8, 1973, filed Substitute First Revised Sheets Nos. 3A, 3B, 3C, and Substitute Original Sheet No. 3D superseding respectively Original Sheets Nos. 3A, 3B, and 3C of Arkla's FPC Gas Tariff First Revised Volume No. 1.

In its filing Arkla states that the curtailment plan reflected in the tariff sheets submitted therewith, "although including subcategories within Priorities 1, 2, and 3 and several other refinements, is fully consistent with the principles and intent of the Commission's orders in Docket No. RP71-122."

Arkla includes within Priority 1 three subcategories, namely, P-1.1 residential; P-1.2 vital facilities such as hospitals, nursing homes, police, fire, schools and churches; and P-1.3 small commercial. Arkla states that the only practical method for classifying small commercial customers is on a monthly basis, therefore, Arkla has utilized 1,500 Mcf per month as the volumetric break point for determining small commercial customers instead of 50 Mcf per day. Arkla states that this is necessary since no peak-day data is obtainable for customers of this size. Arkla has also included within P-1.3 industrial customers whose use is as small as the small commercial users.

Arkla has subdivided Priority 2 into P-2.1 which includes large commercials, industrials using up to 9,000 Mcf per month and plant protection requirements; and P-2.2 containing feedstock and process uses. Arkla states that this differentiation is primarily based on logistical problems associated with curtailing large numbers of small customers. Therefore, small industrials (up to 9,000 Mcf per month) as well as large commercials and plant protection volumes were included in P-2.1. The relatively small number of large volume feedstock and process gas users were given P-2.2 status.

Arkla also subdivided Priority 3 into P-3.1 including 109 customers using less than 1,500 Mcf per day, whose total daily use is 62,579 Mcf and P-3.2 including 12 customers using 1,500 Mcf per day or more whose total daily use is 42,182 Mcf. Arkla states that this refinement is required for practical administration of its curtailment plan.

Any person, not already a party to this proceeding, desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20425, in accordance with sections 1.8, 1.10). All such petitions or protests should be filed on or before September 24, 1973. Additionally, persons who have heretofore been granted status as intervenors in Docket No. RP71-122, should file their comments, if any, on or before September 24, 1973. 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 filing are on file with the Commission and are available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19850 Filed 9-18-73;8:45 am]

[Project No. 271]

ARKANSAS POWER AND LIGHT CO.

Order Providing for Hearing

SEPTEMBER 10, 1973.

Arkansas Power and Light Company is the Licensee for the Carpenter and Remmel Project No. 271, located on the Ouachita River in Hot Springs and Garland Counties, Arkansas, near the town of Malvern and the City of Hot Springs, Arkansas, Lake Hamilton, the Project reservoir created by Carpenter Dam, has a shoreline of approximately 65 miles and a surface area of 72,000 acres. Lake Catherine, the Project reservoir created by Remmel Dam, has a shoreline of approximately 25 miles and a surface area 1,940 acres.

On September 10, 1973, we issued orders granting easements for effluent discharge lines into Lake Hamilton to LA-DU Enterprises, Inc., Gram Motel, Inc., and Quadrant Corporation and Fairwood Homes Association, all docketed under Project No. 271. In those orders we stated:

> * * * this Commission is concerned with the practice of allowing increased use of project lands and waters on a piecemeal basis rather than being related to a comprehensive consideration of the capacity of the project lands and waters to serve known and foreseeable proposed public uses which might be imposed upon them. Future applications, and those currently on file with the Commission, which might result in intensified use of this project's resources should be accompanied by a comprehensive plan defining present and potential development of the project. Where necessary, a hearing will be conducted to build a record upon which a decision can be made.

On October 30, 1972, an application for a change in land rights was filed for Project No. 271 by Arkansas Power and Light Company (Licensee). The application proposes to convey in fee to the City of Hot Springs, Arkansas, 100 acres of the 118 acre Electric Island and 16.2 acres of Little Goat Island, both located off shore of Point Lookout, one and one half miles west of Carpenter Dam in Lake Hamilton: The land would be leased to a private developer who would construct a recreation-amusement park area. The proposed facilities would include the construction of causeways between the mainland and islands and the construction of adequate water and sewage facilities on each island.

In our orders issued September 10, 1973, in Project No. 516 and September 10, 1973, in Project No. 271, we expressed our concern for a closer examination of the consequences of intensified use of project resources. Therefore, we are referring this application to hearing so that it may be considered together with other applications that may be on file and any future applications of a similar nature which may impose additional public use on project lands and waters, in particular, Lake Hamilton and Lake Catherine.

The hearing, or at least a portion of it, is to be held at or near Project No. 271 so that all interested parties could come before the Administrative Law Judge and submit comments pursuant to § 1.10 of our rules of practice and procedure without the requirement that they formally intervene. Such comment may be directed to present and foreseeable future developments which may impose additional public uses on project lands and waters and comments on present and future public use to be made of project lands and waters. Such comments may be offered in writing at any time, for incorporation into the record as though read, before closing of the record or orally at the public hearing without the need of a representative, need not be sworn to, will not be subject to cross examination, and are not probative evidence. However, the Administrative Law Judge may direct such clarifying questions as he deems necessary to achieve a complete record. This type of an examination into the intensified use of a project is in conformity with the public and recreational considerations required under section 10(a) of the Federal Power Act and also the requirement that we assess secondary impact under the National Environmental Policy Act and its established guidelines.

The Commission finds:

It is appropriate and in the public interest as provided herein to hold a public hearing respecting matters involved and issues presented in this proceeding on the application by Arkansas Power and Light Company, and such other purposes set forth in this Order.

The Commission orders:

(A)(1) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Federal Power Act, particularly section 4(g), 10(a), 10(c) and 308 thereof, and the Commission's rules of practice and procedure, a public hearing shall be held in the vicinity of Lake Hamilton and Lake Catherine and such other places deemed necessary by the assigned Administrative Law Judge upon notice fixing such place and time.

(2) The purpose of the hearing shall be to consider existing applications for further easements or other permission to utilize project lands and waters in light of a comprehensive analysis of the project lands and waters as a whole to be accumulated by developing a formal record pertaining to:

(a) Present utilization of Lake Hamilton and Lake Catherine and project lands,

(b) Anticipated future utilization of Lake Hamilton and Lake Catherine and project lands including proposed developments and easements,

(c) The present and reasonably foreseeable intensity of public use in relation to the capacity of project lands and waters to serve these multiple uses without further impairment of the natural resources they represent,

(d) Issues raised in any complaint not covered by the foregoing.

(3) Formal parties submitting evidence for admission to the record shall insofar as practicable submit their exhibits and testimony to be sworn to and to be subject to cross examination in writing in accordance with a schedule to be fixed by the Administrative Law Judge.

(4) In addition to the evidence presented by Commission Staff, formal parties and intervenors, the Administrative Law Judge shall receive from persons other than intervenors, oral or written statements of position and other comments not to be considered probative evidence which need not be sworn to and shall not be subject to cross examination.

(B) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in section 313(a) of the Federal Power Act, and faliure to file such an application shall constitute acceptance of the foregoing order. In acknowledgement of the acceptance of this order, it shall be signed for the Licensee and returned to the Commission within 60 days from the date of issuance of this order.

By the Commission.[1]

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19845 Filed 9-18-73;8:45 am]

[Docket No. G-13385, etc.]

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Findings and Order After Statutory Hearing; Correction

AUGUST 24, 1973.

In the Findings and Order After Statutory Hearing Issuing Certificates of Public Convenience and Necessity, Amending Orders Issuing Certificates, Terminating Certificates, Making Successors Co-respondent, Accepting Rate Schedules for Filing, and Granting Petition to Intervene, Issued March 1, 1973 and published in the FEDERAL REGISTER March 9, 1973, 38 FR 6438: Paragraph (K), Change "CI64-857" to "CI63-1407".

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19829 Filed 9-18-73;8:45 am]

[Docket No. CP70-258]

CITIES SERVICE GAS CO.

Notice of Petition To Amend

SEPTEMBER 11, 1973.

Take notice that on August 30, 1973, Cities Service Gas Company (Petitioner), P.O. Box 25128, Oklahoma City, Oklahoma 73125, filed in Docket No. CP70-258 a petition to amend the Commission's order issued in said docket on July 22, 1970 (44 FPC 149), as amended on June 30, 1972 (47 FPC 1747), pursuant to section 7(c) of the Natural Gas Act by authorizing Petitioner to construct and operate certain facilities as an additional point of delivery between Petitioner and Kansas-Nebraska Natural Gas Company, Inc. (Kansas-Nebraska), all as more fully set forth in the petition to amend which is on file with the Commission and open to public inspection.

Petitioner is authorized among other things, to exchange natural gas with Kansas-Nebraska pursuant to the terms of an exchange agreement under which Petitioner delivers gas to Kansas-Nebraska at the discharge of its Hugoton Compressor Station in Grant County, Kansas, and Kansas-Nebraska delivers equivalent volumes to Petitioner at a point on Petitioner's Hugoton-Kansas City 26-inch pipeline near the town of Haven in Reno County, Kansas. In Docket No. CP74-23 Petitioner has filed for authorization to effectuate an amendment dated June 26, 1973, to its exchange agreement to provide for a further exchange point on its Hugoton-Kansas City 26-inch pipeline in Edwards County, Kansas, to be designated as the Unruh Exchange Point. In the instant petition to amend Petitioner proposes to construct and operate measuring, regulating and appurtenant facilities at the Unruh Exchange Point to deliver exchange volumes to Kansas-Nebraska.

Petitioner estimates the cost of the proposed facilities to be $9,800, which will be financed with cash on hand.

Petitioner states that these facilities, pursuant to the hereinbefore-mentioned exchange agreement, will provide Kansas-Nebraska's customers in the Pawnee Rock Unruh gas supply area with a greater assurance of supply with minimal capital expenditures. Deliveries through the Unruh Exchange Point are estimated to average up to 3,000 Mcf per day of natural gas.

Any person desiring to be heard or to make any protest with reference to said petition should on or before October 5, 1973, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules.

KENNTH F. PLUMB,
Secretary.

[FR Doc.73-19839 Filed 9-18-73;8:45 am]

[Docket No. CI74-149]

DAGGER DRAW TRANSMISSION CORP.

Petition for a Declaratory Order

SEPTEMBER 10, 1973.

Take notice that on August 20, 1973, Dagger Draw Transmission Corporation (Petitioner), P.O. Box 1180, Roswell, New Mexico 88201, filed in Docket No. CI74-149, a petition for a declaratory order to determine whether it is a "natural-gas company" within the meaning of the Natural Gas Act, all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

Petitioner states that it is constructing a field gas gathering system to transport casinghead gas from various wells in Eddy County, New Mexico, to a terminal point in a presently installed field gathering system operated by Marathon Oil Company (Marathon). Petitioner states further that it is informed that Marathon will transport the gas to its liquid extraction plant in Eddy County, New Mexico, where the producers of such gas will sell the gas to Natural Gas Pipeline Company of America at the tailgate of the Marathon Plant. Petitioner's transportation service to the producers of the gas will be on a fee basis (calculated on volume and distance). Petitioner will not have any ownership, legal or beneficial, in the gas or in the products therefrom transported. Petitioner states that its facilities are all in Eddy County, New Mexico, and that the current capacity of the gathering system is 1,660 Mcf of gas per day and the estimated peak daily capacity will be 6,000 Mcf of gas.

Any person desiring to be heard or to make any protest with reference to said petition should on or before October 5, 1973, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19844 Filed 9-18-73;8:45 am]

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[1] Commissioner Moody's dissent filed as part of the original document.

[Docket Nos. CP73-47, CP73-88, etc.]

EASCOGAS LNG, INCORPORATED, ET AL.

Scheduling Formal Hearings, and Establishing Procedures; Correction

AUGUST 29, 1973.

In the order granting in part and denying in part application for rehearing, consolidating proceedings, scheduling formal hearings, and establishing procedures, issued August 7, 1973 and published in the FEDERAL REGISTER August 15, 1973 38 FR 22071: In right column of title, change "Docket Nos. CP73-47, CP73-8" to Docket Nos. CP73-47, CP73-88".

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19828 Filed 9-18-73;8:45 am]

[Docket No. CP70-138]

EL PASO NATURAL GAS CO.

Notice Denying Motion To Omit Intermediate Decision Procedure

SEPTEMBER 10, 1973.

On August 28, 1973, at the close of the hearing in the above-designated matter, El Paso Natural Gas Company filed a motion to omit the intermediate decision. On August 30, 1973, the Presiding Administrative Law Judge referred the motion to the Commission and stated that all participating parties, including the Commission Staff, support the motion.

There has been no showing that the due and timely execution of the Commission's functions imperatively and unavoidably requires the omission of the intermediate decision procedure in the above-designated matter and the motion is denied.

By direction of the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19840 Filed 9-18-73;8:45 am]

[Docket No. CP70-138]

EL PASO NATURAL GAS CO.

Notice of First Supplement To Petition To Amend; Correction

AUGUST 30, 1973.

In the Notice of First Supplement to Petition to Amend, Issued August 24, 1973 and published in the FEDERAL REGISTER September 6, 1973, 38 FR 24260: Paragraph 4, Last line, Change "September 28, 1973," to "August 28, 1973,".

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19830 Filed 9-18-73;8:45 am]

[Docket No. CI74-129]

GAS MARKETING, INC.

Petition for Special Relief or, in the Alternative, for Permission and Approval To Abandon

SEPTEMBER 10, 1973.

Take notice that on August 20, 1973, Gas Marketing, Inc. (Gas-Mark) P.O. Box 748, Salina, Kansas 67202, filed in Docket No. CI74-129 a petition for special relief pursuant to section 7(c) of the Natural Gas Act[1] by requesting authorization to continue the sale of natural gas to Panhandle Eastern Pipe Line Company from the Fruit Field, Kiowa County, Kansas, at a higher price so as to avoid abandonment of the subject sale or, in the alternative, if such relief is not granted, permission and approval pursuant to section 7(b) of the Natural Gas Act to abandon the aforesaid sale and facilities used therefor, all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

Gas-Mark proposes to continue a sale of natural gas to Panhandle from the Fruit Field at a new rate of 35.0 cents per Mcf at 14.65 psia pursuant to the terms of a contracted amendment dated September 25, 1972. Gas-Mark states that the subject gas originates from gas gathered and compressed from oil wells producing casinghead gas. Gas-Mark asserts that considering the volumes of gas now available from this acreage and the present price of such gas, its continued gathering, compressing and sale of such gas is no longer warranted from an economical standpoint. The application indicates that 113,117 Mcf of gas were sold from this acreage during the period from August 1971 through July 1972, at a gross profit of $9,978.77, with operating expenses of $8,226.78 and Depreciation of $3,542.54, for a net loss of $1,790.55. The aforesaid contract amendment states that Gas-Mark has discontinued operating its compressor equipment and is now flaring this gas.

If this special relief is not granted Gas-Mark requests authorization to abandon its facilities and cease the gathering, compression and sale of gas from the Fruit Field.

Any person desiring to be heard or to make any protest with reference to said petition should on or before October 5, 1973, 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 petition if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that permission and approval for the proposed abandonment are required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Gas-Mark to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19843 Filed 9-18-73;8:45 am]

[1] It is assumed that Gas-Mark is filing this petition pursuant to Section 2.76 of our General Policy and Interpretations (18 CFR 2.76), as established by Commission Order No. 481, *Policy With Respect To Sales Where Reduced Pressures, Need For Reconditioning, Deeper Drilling, Or Other Factors Make Further Production Uneconomical At Existing Prices, order* issued April 12, 1973 (49 FPC ——).

[Project No. 2090]

GREEN MOUNTAIN POWER CORP.

Application for Amendment of License

SEPTEMBER 12, 1973.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by the Green Mountain Power Corporation (Correspondence to: Mr. Elliot G. Whitney, Vice President, Green Mountain Power Corporation, P.O. Box 486, Montpelier, Vermont 05602) for amendment of license of Waterbury Project No. 2090 located on the Waterbury River, in Washington County, Vermont.

The application seeks to remove from the license the 33 kv transmission line 4 miles long that extends from the project to the applicant's Waterbury switching station. The applicant states that due to changes in its system, the line is now part of its interconnected transmission system.

Any person desiring to be heard or to make protest with reference to said application should on or before October 23, 1973, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to a proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's rules. The application is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19835 Filed 9-18-73;8:45 am]

[Docket No. E-7740]

INDIANA AND MICHIGAN ELECTRIC CO.

Proposed Changes in Rates and Charges

SEPTEMBER 11, 1973.

Take notice that the Indiana and Michigan Electric Company (I&M) on August 30, 1973, tendered for filing proposed changes in its FPC Electric Rate Schedule Nos. 27 and 58. The proposed changes will increase I&M's revenues based on test year 1971 by approximately $380,000 annually from the City of Anderson, Indiana (Anderson) and by approximately $190,000 annually from the City of Richmond, Indiana (Richmond). The proposed effective date is March 29, 1972, the date on which I&M's revised tariff I.P. became effective with respect to I&M's customers in the State of Indiana, or upon the first next succeeding date on which the proposed changes may be made effective under law, statute, or rule. I&M requests waiver of the requirements of §§ 35.0, 35.3, 35.11, and 35.13 of the Commission's rules and regulations to the extent that they are inconsistent with this tendered filing.

In support of its filing, I&M states that the proposed changes incorporate the revisions in I&M's tariff I.P. on file with, and approved by, the Public Service Commission of Indiana and which become effective on March 29, 1973. Further, I&M states that this filing is made to effectuate the respective contractual obligations between I&M and the cities of Anderson and Richmond. In addition, I&M asserts that there is no bona fide dispute as to the reasonableness of the proposed increases in the record in Docket No. E-7740 to date.

In support of its requested effective date, I&M asserts that it is necessary, in the public interest, and in the interest of I&M's other municipal wholesale customers. Further, I&M avers that it is necessary to effectuate the express contractual obligations of Anderson and Richmond and to avoid a wholly unjustified windfall for those cities.

I&M states that copies of this filing were served on each of the affected customers and the Public Service Commission of Indiana.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street NE., Washington, D.C. 20426, in accordance with Sections 1.8, 1.10 of the Commission's rules of practice and procedures (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before September 19, 1973. 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.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19848 Filed 9-18-73;8:45 am]

[Docket No. CP74-3]

LOWELL GAS CO.

Notice of Application; Correction

JULY 27, 1973.

In the Notice of Application, issued July 11, 1973 and published in the FEDERAL REGISTER, July 19, 1973, 38 FR 19252: Third paragraph, lines 3 thru 8: Change "as a result of the expected curtailments of gas deliveries by its suppliers during the winter period of 1973–74 and its inability to secure additional supplies of natural gas needed to serve its customers." to read "in order to secure additional supplies of natural gas needed to serve its own retail customers and to help its wholesale customers who are supplied by a pipeline supplier whose supply has been curtailed with service during the winter period 1973–74."

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19847 Filed 9-18-73;8:45 am]

NATIONAL POWER SURVEY EXECUTIVE ADVISORY COMMITTEE

Order Designating Additional Member; Correction

JULY 3, 1973.

In the Order Designating Additional Member of The National Power Survey Executive Advisory Committee, Issued June 26, 1973 and published in the FEDERAL REGISTER July 19, 1973, 38 FR 19255:

Under Membership: Change "Institution, Inc." to "Institute".

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19833 Filed 9-18-73;8:45 am]

[Docket No. CP73-289]

NATURAL GAS PIPELINE CO. OF AMERICA

Amendment to Application

SEPTEMBER 10, 1973.

Take notice that on August 31, 1973, Natural Gas Pipeline Company of America (Applicant), 122 South Michigan Avenue, Chicago, Illinois 60603, filed in Docket No. CP73-289 an amendment to its application filed in said docket on April 25, 1973, pursuant to section 7(c) of the Natural Gas Act to request authorization to construct and operate facilities to transport natural gas proposed to be exchanged with Texas Eastern Transmission Corporation (Texas Eastern), all as more fully set forth in the amendment which is on file with the Commission and open to public inspection.

In its application of April 25, 1973, Applicant seeks a certificate of public convenience and necessity authorizing the delivery to Texas Eastern of 5,000 Mcf of gas per day purchased in Lavaca County, Texas, and 10,000 Mcf of gas per day purchased in Harris County, Texas, in return for equivalent volumes of gas to be delivered by Texas Eastern in Brazoria County, Texas. In the instant amendment Applicant requests certificate authorization to construct and operate 1.7 miles of 6-inch pipeline in Lavaca County and 5.3 miles of 6-inch pipeline and a gas measuring facility in Harris County to receive gas from the producers thereof. The estimated cost of the subject facilities is $997,513.00, which would be financed with funds on hand.

Any person desiring to be heard or to make any protest with reference to said amendment should on or before October 5, 1973, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19842 Filed 9-18-73;8:45 am]

[Docket No. CP73-348]

NATURAL GAS PIPELINE CO. OF AMERICA

Notice of Application; Correction

JULY 16, 1973.

In the Notice of Application, Issued July 10, 1973 and published in the FEDERAL REGISTER July 18, 1973 38 FR 19160:

In the Title: Change "Natural Gas Pipeline of America" to read "Natural Gas Pipeline Company of America."

First paragraph: Change "Natural Gas Pipeline of America" to read "Natural Gas Pipeline Company of America."

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19832 Filed 9-18-73;8:45 am]

[Docket No. E-7867]

OHIO POWER CO.

Extension of Time and Postponement of Prehearing Conference and Hearing

SEPTEMBER 11, 1973.

On August 28, 1973, Allied Chemical Corporation, Blaw Knox Company, Mobay Chemical Company and the Triangle Conduit & Cable Company filed a motion for a six-week postponement of the procedural dates set by the order issued August 1, 1973, in the above-designated matter. Counsel states that Commission Staff, Ohio Power Company, and the West Virginia Public Service Commission have no objection to the motion.

Upon consideration, notice is hereby given that the procedural dates are modified as follows:

Service of Testimony and Exhibits by Staff, October 2, 1973.

Service of Testimony and Exhibits by Interveners, October 16, 1973.

Rebuttal evidence by Ohio Power Company, October 31, 1973.
Prehearing Conference, November 6, 1973 (10:00 a.m., E.S.T.).
Cross-Examination, November 13, 1973 (10:00 a.m., E.S.T.).

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19838 Filed 9-18-73;8:45 am]

[Project No. 1988]

PACIFIC GAS AND ELECTRIC CO.

Notice of Application for Change in Land Rights

SEPTEMBER 12, 1973.

Public notice is hereby given that application has been filed January 14, 1972, under the Federal Power Act (16 U.S.C. 791a–825r) by Pacific Gas and Electric Company (Correspondence to: Mr. J. F. Roberts, Jr., Vice President, Rates and Valuation, 77 Beale Street, San Francisco, California 94106) for change in land rights for Project No. 1988, known as Kings River Project, located on the North Fork of Kings River in Fresno County, California.

Applicant requests Commission approval of the grant of an easement to the United States of America for a road right-of-way for the reconstruction, maintenance, and use of an existing road across Wishon Dam and adjacent property of Project No. 1988. The project lies within the boundaries of Sierra National Forest and the Forest Service, U.S. Department of Agriculture has assumed the maintenance and supervision of the road.

Any person desiring to be heard or to make protest with reference to said application should on or before October 10, 1973, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to a proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's rules. The application is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19834 Filed 9-18-73;8:45 am]

[Docket No. E-8369]

SOUTHWESTERN ELECTRIC POWER CO.

Proposed Changes in Rates and Charges

SEPTEMBER 12, 1973.

Take notice that Southwestern Electric Power Company (SWEPCO) on August 20, 1973, tendered for filing a proposed contract for electric service dated July 31, 1973, providing for SWEPCO to furnish the entire electric power and energy requirements of the City of Bentonville, Arkansas (City) for 10 years beginning September 1, 1973. Also submitted was an agreement between the City and SWEPCO dated July 31, 1973, providing for the City to sell and deliver to SWEPCO certain hydroelectric peaking power and energy that is sold and delivered to the City by the Southwestern Power Administration. The Company states that service will be furnished according to Rate Schedule No. W, Wholesale Electric Service for Resale to Municipalities, which is, according to SWEPCO, its standard established rate for this class of service. SWEPCO requests waiver of the Commission's requirements to permit an effective date of September 1, 1973.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Power Commission, 825 North Capitol Street, NE., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before September 25, 1973. 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.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19849 Filed 9-18-73;8:45 am]

[Docket No. CP70-7 (Phase II)]

SOUTHERN NATURAL GAS CO.

Petition To Amend

SEPTEMBER 11, 1973.

Take notice that on August 23, 1973, Southern Natural Gas Company (Petitioner), P.O. Box 2563, Birmingham, Alabama 35202, filed in Docket No. CP70–7 (Phase II) a petition to amend the Commission's order issued October 29, 1969 (42 FPC 944), in the subject docket pursuant to Section 7(c) of the Natural Gas Act by authorizing certain changes and reallocations in the contract quantities of natural gas to be delivered to Alabama Gas Corporation (Alagasco) among individual delivery points, all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

By the Commission's order of October 20, 1969, Petitioner was authorized, inter alia, to sell and deliver to Alagasco at certain specified delivery points a contract demand of 408,725 Mcf. By order issued in the subject docket on October 20, 1971, this contract demand was reduced to 408,475 Mcf. On December 1, 1972, and December 8, 1972, Petitioner tendered for filing under section 4 of the Natural Gas Act a fifth revised Exhibit A and a sixth revised Exhibit A to its presently effective firm service agreement with Alagasco. By order issued March 20, 1973, in Docket No. RP73–73, the Commission rejected these filings because they were inconsistent with the outstanding certificate authorization in the subject docket.

Petitioner seeks authorization herein to make changes and reallocations in the contract quantities delivered to Alagasco among individual delivery points, pursuant to its fifth and sixth revised Exhibit A's. The fifth revised Exhibit A reallocates Alagasco's contract demand among several delivery points, and while the sixth revised Exhibit A includes the same revisions, it also includes a proposed integration of Alagasco's delivery points at Fairfax and Shawmut and a proposed integration of the Harbison-Walker and Birmingham delivery points.

In an affidavit filed with the petition to amend, an executive-vice president of Alagasco states that these changes and reallocations are needed:

1. To enable Alagasco to meet its firm gas load under design day conditions at other delivery points and to permit the utilization of a recently constructed LNG facility near Montgomery, Alabama, to assist in meeting these loads;

2. To restore contract demands at its Leeds and Tuscaloosa delivery points to the level which had existed previously and which would assure that the firm load serviced from these points could be met without curtailment in the event of low mean temperatures during the summer period; and

3. To recognize physical connections previously made, tying the Harbision-Walker (1971) delivery point to the Birmingham delivery point and interconnecting the Fairfax-Shawmut (1955) delivery points.

Any person desiring to be heard or to make any protest with reference to said petition to amend should on or before October 5, 1973, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19837 Filed 9-18-73;8:45 am]

[Docket No. CP74-60]

TENNESSEE GAS PIPELINE CO.

Notice of Application

SEPTEMBER 10, 1973.

Take notice that on August 31, 1973, Tennessee Gas Pipeline Company, a Division of Tenneco Inc. (Applicant), P.O.

Box 2511, Houston, Texas 77001, filed in Docket No. CP74-60 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 The Greenwich Gas Company (Greenwich), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to transport up to 4,000 Mcf of natural gas per day for Greenwich until October 31, 1974. Applicant states that to enable Greenwich to meet its peak shaving requirements, Greenwich has arranged to purchase 100,000 Mcf of vaporous gas equivalent of liquefied natural gas (LNG) from The Southern Connecticut Gas Company (Southern Connecticut). Southern Connecticut will vaporize the LNG and make equivalent volumes available to Applicant for transportation to Greenwich by reducing Southern Connecticut's takes from Applicant. Applicant proposes to collect a transportation charge comprised of a demand charge of 29.41 cents per Mcf per month plus a volume charge of 4.90 cents per Mcf. Applicant states that the proposed service would be rendered by means of existing facilities.

Any person desiring to be heard or to make any protest with reference to said application should on or before October 5, 1973, 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.73-19841 Filed 9-18-73;8:45 am]

[Docket No. CP74-37]

TENNESSEE GAS PIPELINE CO.

Notice of Application; Correction

SEPTEMBER 5, 1973.

In the Notice of Application, issued August 17, 1973, and published in the FEDERAL REGISTER August 27, 1973, 38 FR 22916: First paragraph, line 8: Delete "sale for resale and".

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19846 Filed 9-18-73;8:45 am]

[Docket No. E-6684]

VIRGINIA ELECTRIC AND POWER CO. AND DAN RIVER, INC.

Proposed Determination of Headwater Benefits Payments in the Roanoke River Basin

SEPTEMBER 13, 1973.

Public notice is hereby given that the Commission Staff proposes a determination pursuant to the provisions of Section 10(f) of the Federal Power Act (16 U.S.C. 803), of certain payments for benefits provided by the Federal Philpott and John H. Kerr headwater improvements in the Roanoke River basin to downstream hydroelectric plants owned by the Virginia Electric and Power Company (VEPCO) and Dan River Inc. (Dan River) during the period January 1, 1963, through December 31, 1968. The proposed payments, based on a report by the Commission's Bureau of Power, dated December 1972, amount to: $846,667 for benefits plus $83,975 for a share of the costs of the investigations, assigned to VEPCO; and $6,403 for benefits plus $635 for a share of the costs of the investigations, assigned to Dan River.

Copies of the December 1972 Bureau of Power report were sent to all parties to the investigation on January 17, 1973, with requests for comments or suggestions. The Commission Staff reviewed the comments received and, by letter of July 24, 1973, advised the parties that it did not propose to change its proposed determination. In that letter, the Staff also offered each party the opportunity to comment further on the report or to request a conference among the parties, requesting that any responses be made by August 15, 1973. No responses to that letter have been received.

Any person desiring to be heard or to make protest with reference to the proposed headwater benefits payments to be made by VEPCO and Dan River, should on or before October 15, 1973, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with 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 proceedings. Persons wishing to become parties to the proceeding or to participate as a party therein must file a petition to intervene in accordance with the Commission's rules of practice and procedure.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19851 Filed 9-18-73;8:45 am]

[Docket No. RP72-98]

TEXAS EASTERN TRANSMISSION CORP.

Notice Deferring Procedural Dates

SEPTEMBER 11, 1973.

On September 7, 1973 Texas Eastern Transmission Corporation filed a motion to postpone procedural dates fixed by notice issued July 26, 1973, in the above-designated matter. On July 25, 1973, Texas Eastern Transmission Corporation filed a motion for approval of a Second Revised Stipulation and Agreement providing for a proposed settlement in the above matter.

Upon consideration, notice is hereby given that the procedural dates in the above matter are deferred pending further order of the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc.73-19836 Filed 9-18-73;8:45 am]

POSTAL SERVICE

POSTAL CONTRACTING MANUAL

Notice of Amendment

Notice is hereby given that the Postal Contracting Manual, Publication 41 (see 39 CFR Part 601), has been amended by the issuance of Transmittal Letters 12 and 13, dated June 29, 1973, and July 10, 1973, respectively.

This notice is given pursuant to § 601.105 of Title 39, Code of Federal Regulations, which provides that notice of changes made in the Postal Contracting Manual will be periodically published in the FEDERAL REGISTER; that the text of such changes will be filed with the Director, Office of the Federal Register; and that subscribers to the basic Manual will receive amendments from the Government Printing Office. (For other availability of the Postal Contracting Manual, see 39 CFR 601.104.)

Amendments of the Postal Contracting Manual accompanying Transmittal Letters 12 and 13 were filed with the Director, Office of the Federal Register, simultaneously with the filing of this document.

(5 U.S.C. 552(a), 39 U.S.C. 401, 404, 410, 411, 2008.)

ROGER P. CRAIG,
Deputy General Counsel.

SEPTEMBER 11, 1973.

[FR Doc.73-19855 Filed 9-18-73;8:45 am]

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

AZTEC PRODUCTS, INC.

Order Suspending Trading

SEPTEMBER 10, 1973.

It appearing to the Securities and Exchange Commission that the summary

suspension of trading in the common stock, $.05 par value, and all other securities of Aztec Products, 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 11, 1973, through September 20, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19861 Filed 9-18-73;8:45 am]

[File 500-1]

BBI, INC.

Order Suspending Trading

SEPTEMBER 10, 1973.

The common stock, $0.10 par value, of BBI, Inc., being traded on the American Stock Exchange and the PBW Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of BBI, Inc. being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 19 (a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchanges and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 11, 1973, through September 20, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19864 Filed 9-18-73;8:45 am]

[File No. 500-1]

BENEFICIAL LABORATORIES, INC.

Order Suspending Trading

SEPTEMBER 10, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, warrants, units and all other securities of Beneficial Laboratories, 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 11, 1973, through September 20, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19862 Filed 9-18-73;8:45 am]

[Rel. No. 18091]

JERSEY CENTRAL POWER & LIGHT CO.

Notice of Proposed Issue and Sale of Short-Term Notes to Banks

SEPTEMBER 11, 1973.

Notice is hereby given that Jersey Central Power & Light Company (Jersey Central), Madison Avenue at Punch Bowl Road, Morristown, New Jersey 07960, an electric utility subsidiary company of General Public Utilities, a registered holding company, has filed a declaration and amendment thereto with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 6(a) and 7 of the Act and Rule 50 promulgated thereunder as applicable to the proposed transaction. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed transaction.

Jersey Central requests that, for the period ending on December 31, 1974, it be permitted from time to time to issue or renew notes of a maturity of nine months or less evidencing short-term bank borrowings provided that the aggregate principal amount of such notes outstanding at any one time shall not be more than $96,000,000.

The new notes will bear interest at the prime interest rate for commercial borrowing of the bank from which the borrowing is made at the date of the issue of such note, will mature not more than nine months from date of issue, will be prepayable at any time without premium, and will not be issued as part of a public offering. Although no commitments or agreements for such borrowings have been made, if this declaration is granted by the Commission, Jersey Central expects that, as and to the extent that its cash needs require, borrowings will be effected from among the following banks, the maximum to be borrowed and outstanding at any one time from each such bank being as follows:

Bankers Trust Company, New York, N.Y.	$3,000,000
The Chase Manhattan Bank NA, New York, N.Y.	15,000,000
Chemical Bank, New York, N.Y.	5,000,000
Irving Trust Company, New York, N.Y.	16,800,000
Fidelity Union Trust Company, Newark, N.J.	6,000,000
First National State Bank of New Jersey, Newark, N.J.	2,500,000
National Newark & Essex Bank, Newark, N.J.	5,000,000
First Jersey National Bank, Jersey City, N.J.	3,000,000
American National Bank & Trust, Morristown, N.J.	4,000,000
Belmar-Wall National Bank, West Belmar, N.J.	300,000
The Central Jersey Bank and Trust Company, Freehold, N.J.	1,500,000
Colonial First National Bank, Red Bank, N.J.	2,000,000
First Merchants National Bank, Asbury Park, N.J.	1,000,000
First National Bank of New Jersey, Passaic, N.J.	1,000,000
First National Bank of South Jersey, Pleasantville, N.J.	1,500,000
First National State Bank of Northwest Jersey, Succasunna, N.J.	500,000
The First National Bank of Toms River, Toms River, N.J.	1,200,000
The First National Iron Bank of New Jersey, Morristown, N.J.	3,000,000
The Hunterdon County National Bank, Lambertville, N.J.	700,000
Mechanics National Bank of Burlington County, Burlington, N.J.	400,000
National Community Bank, Franklin, N.J.	3,000,000
The National State Bank, Elizabeth, N.J.	2,000,000
New Jersey Bank NA, Haledon, N.J.	4,000,000
Ocean County National Bank, Point Pleasant, N.J.	400,000
New Jersey National Bank, Asbury Park, N.J.	4,000,000
Peoples Trust Company of New Jersey, Hackensack, N.J.	6,000,000
Somerset Hills & County National Bank, Bernardsville, N.J.	1,000,000
Summit and Elizabeth Trust Company, Summit, N.J.	1,200,000
United Counties Trust Company, Summit, N.J.	1,000,000
	$96,000,000

It is stated that Jersey Central is required to maintain compensating balances with each of the banks equal to 10 percent of the lines of credit or 20 percent of the amounts actually borrowed, whichever is higher, except for the First National Bank of South Jersey, Pleasantville, N.J., which presently requires 10 percent of the amount of the line of credit as a compensating balance. Assuming a 9¼ percent prime rate and a 20 percent compensating balance, the effective rate of interest to be paid by Jersey Central is 11.56 percent (10.28 percent for borrowing from the First National Bank of New Jersey).

Jersey Central proposes to utilize the proceeds of the contemplated borrowings for the purpose of financing its business as a public utility company, including provisions for construction expenditures, the repayment of other short-term borrowings, and the temporary reimbursement of its treasury for construction expenditures provided thereon. The estimated cost of Jersey Central's 1973 construction program is approximately $205,000,000 (including allowance for funds used during construction).

The declaration states that Jersey Central's expenses incident to the proposed issuance of notes will be approximately $5,000, including legal fees of $4,200, and that no state commission or federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than October 4, 1973, 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 declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the declaration, 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] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19867 Filed 9-18-73;8:45 am]

[Rel. No. 18092]

OHIO EDISON CO.

Notice of Filing of Application Regarding Proposed Acquisition of Utility Assets

SEPTEMBER 12, 1973.

Notice is hereby given that Ohio Edison Company (Ohio Edison), 47 North Main Street, Akron, Ohio 44308, a registered holding company and a public-utility company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 9(a)(1) and 10 of the Act as applicable to the proposed transaction. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transaction.

Ohio Edison proposes to acquire from the City of Akron, Ohio (the City), an underground electric distribution system (the System) being installed for the City as part of its development of the so-called Grant-Washington Urban Renewal District, Project No. Ohio R-18. By a Lease Agreement dated September 5, 1968, between the City and Ohio Edison, Ohio Edison leased the System from the City and has been p.oviding through such System, electric service to the residences, businesses and other establishments in the District at the same rates and on the same terms as those applicable to like service throughout other portions of the City served by Ohio Edison. Following arms length bargaining, the Council of the City, on June 20, 1972, adopted an ordinance authorizing the sale of the System to Ohio Edison for $768,851 and pursuant thereto Ohio Edison and the City have entered into an Agreement, dated March 12, 1973, providing for the purchase by Ohio Edison from the City of the System for said amount. The Agreement provides, in effect, that the closing of the purchase and sale shall take place as soon as practicable after receipt by Ohio Edison, in form satisfactory to its counsel, of the last of any necessary orders of any regulatory authorities. Although the original cost of the System is not presently known, Ohio Edison estimates that such cost would approximate the amount of the successful bid for construction of the System, which amount was $572,441.04, plus capitalizable administrative costs, if any, incurred by the City.

The Grant-Washington Urban Renewal District lies within the City of Akron, which is the largest city within the service area of Ohio Edison, and the System is directly connected with other facilities of Ohio Edison and is supplied with electric energy provided by Ohio Edison. The System is therefore fully integrated with the electric facilities of Ohio Edison. Upon completion of the acquisition, Ohio Edison will continue to operate the System to serve electric customers connected and to be connected thereto. As of June 30, 1973, there were 60 residential customers, 41 commercial customers and 3 industrial customers served by the System, and the gross revenues derived from such customers during the twelve-month period ended that date aggregated $201,867.51.

Ohio Edison is subject to the accounting jurisdiction of The Public Utilities Commission of Ohio and the Federal Power Commission, pursuant to which it is required to keep its accounts in accordance with the Uniform System of Accounts prescribed by the Federal Power Commission. Except to the extent of such accounting jurisdiction by said two regulatory agencies, no state commission and no federal commission, other than this Commission, has jurisdiction over the proposed transaction.

The fees, commissions, and expenses paid or incurred or to be paid or incurred, directly or indirectly, in connection with the proposed transaction by Ohio Edison, are estimated at $7,500.

Notice is further given that any interested person may not later than October 9, 1973, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as filed or as it may be amended, may be permitted to become effective as provided in rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered, will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority,

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19866 Filed 9-18-73;8:45 am]

[File No. 500-1]

TRIEX INTERNATIONAL CORP.

Order Suspending Trading

September 10, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $.01 par value, of Triex International Corp., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 11, 1973, through September 20, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.19865 Filed 9-18-73;8:45 am]

[File No. 500-1]

U.S. FINANCIAL INC.

Order Suspending Trading

SEPTEMBER 10, 1973.

The common stock, $2.50 par value, of U.S. Financial Incorporated being traded on the New York Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of U.S. Financial Incorporated, being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchange and otherwise than

on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 11, 1973, through September 20, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19863 Filed 9-18-73;8:45 am]

BROKER-DEALER MODEL COMPLIANCE PROGRAM ADVISORY COMMITTEE

Notice of Public Meetings

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act, Pub. L. 92-463, 86 Stat. 770, the Securities and Exchange Commission announces the following public advisory committee meetings.

The Commission's Advisory Committee on a Model Compliance Program for Broker-Dealers, established on October 25, 1972 (Securities Exchange Act Release No. 9835), will hold meetings October 3-4, 1973 at the Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. The meetings will commence at 9:00 a.m., local time.

This Advisory Committee was formed to assist the Commission in developing a model compliance program to serve as an industry guide for the broker-dealer community. Assisted by this Committee's work, the Commission plans to publish a guide to broker-dealer compliance under the securities acts in order to advise broker-dealers of the standards to which they should adhere if investor confidence in the fairness of the market place is to be warranted and sustained. The Committee's recommendations are not intended to result in the expansion of Commission rules governing broker-dealers, but to inform broker-dealers as to the existing requirements and how they may comply with them.

The Committee's scheduled meetings will be for the purpose of reviewing drafts and proposals concerning the Committee's proposed report to the Commission on these compliance guidelines for broker-dealers.

These meetings are open to the public. Any interested person may attend and appear before or file statements with the Advisory Committee—which statements, if in written form, may be filed before or after the meeting or, if oral, at the time and in the manner and extent permitted by the Advisory Committee.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

SEPTEMBER 12, 1973.

[FR Doc.73-19907 Filed 9-18-73;8:45 am]

[File No. 500-1]

COLORADO INTERSTATE GAS CO.

Order Suspending Trading

SEPTEMBER 12, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the First Mortgage 3.35 percent Pipeline Bonds due July 1974, First Mortgage 4.70 percent Pipeline Bonds due March 1979, and 4¾ percent Debentures due April 1984 of Colorado Interstate Gas Co. being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 13, 1973, through September 22, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19892 Filed 9-18-73;8:45 am]

[File No. 500-1]

TRIONICS ENGINEERING CORP.

Order Suspending Trading

SEPTEMBER 13, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, and all other securities of Trionics Engineering Corp., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 14, 1973, through September 23, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19894 Filed 9-18-73;8:45 am]

[File 500-1]

COLORADO INTERSTATE CORP.

Order Suspending Trading

SEPTEMBER 12, 1973.

Debentures, 8½ percent, due April 1991, of Colorado Interstate Corporation being traded on the New York Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and 8½ percent Debentures due April 1991, First Mortgage 7½ percent Pipeline Bonds due June 1992, First Mortgage 8 percent Pipeline Bonds due June 1989, Preferred 5 percent Cum., Preferred 5.35 percent Cum., and Preferred 5.50 percent Cum. of Colorado Interstate Corporation being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 13, 1973, through September 22, 1973.

By the Commission.

GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19895 Filed 9-18-73;8:45 am]

[File No. 500-1]

EQUITY FUNDING CORP. OF AMERICA

Order Suspending Trading

SEPTEMBER 13, 1973.

The common stock, $.30 par value, of Equity Funding Corporation of America being traded on the New York Stock Exchange, the Midwest Stock Exchange, the Pacific-Coast Stock Exchange, the Philadelphia - Baltimore - Washington Stock Exchange, the Boston Stock Exchange; warrants to purchase the $.30 par value common stock being traded on the American Stock Exchange and the Philadelphia-Baltimore-Washington Stock Exchange; 9½ percent debentures due 1990 being traded on the New York Stock Exchange; and 5½ percent convertible subordinated debentures due 1991 being traded on the New York Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Equity Funding Corporation of America being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchanges and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 14, 1973, through September 23, 1973.

By the Commission.

GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19904 Filed 9-18-73;8:45 am]

[File No. 500-1]

INDUSTRIES INTERNATIONAL, INC.

Order Suspending Trading

SEPTEMBER 13, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, and all other securities of Industries International, 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, 1973, through September 23, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19903 Filed 9-18-73;8:45 am]

[File No. 500-1]

GIANT STORES CORP.

Order Suspending Trading

SEPTEMBER 13, 1973.

The Common stock, $.10 par value, of Giant Stores Corp. being traded on the American Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Giant Stores Corp., being traded otherwise than on a national securities; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 14, 1973, through September 23, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19902 Filed 9-18-73;8:45 am]

[File No. 500-1]

C I C INDUSTRIES, INC.

Order Suspending Trading

SEPTEMBER 12, 1973.

The 11 percent Debentures due June 1975 of C I C Industries, Inc. being traded on the New York Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of C I C Industries, Inc., being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 13, 1973, through September 22, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19901 Filed 9-18-73;8:45 am]

[File No. 500-1]

FAIM INFORMATION SERVICES, INC.

Order Suspending Trading

SEPTEMBER 12, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $.01 par value, and all other securities of FAIM Information 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 11:45 a.m. (e.d.t.) September 12, 1973, through September 21, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19900 Filed 9-18-73;8:45 am]

[File No. 500-1]

NORTH AMERICAN BUILDING TECHNOLOGY, INC.

Order Suspending Trading

SEPTEMBER 12, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $.01 par value, and all other securities of North American Building Technology, 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 11:45 a.m., (e.d.t.), September 12, 1973, through September 21, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19899 Filed 9-18-73;8:45 am]

[File No. 500-1]

FIRST LEISURE CORP.

Order Suspending Trading

SEPTEMBER 12, 1973.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $.10 par value and all other securities of First Leisure Corporation, 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, 1973, through September 22, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19898 Filed 9-18-73;8:45 am]

[File No. 500-1]

COASTAL STATES GAS CORP.

Order Suspending Trading

SEPTEMBER 12, 1973.

The common stock, $.33⅓ par value; $1.19 cumulative convertible preferred Series A, $.33⅓ par value; and $1.83 cumulative convertible preferred Series B, $.33⅓ par value of Coastal States Gas Corporation, being traded on the New York Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Coastal States Gas Corporation, being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 13, 1973, through September 22, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19897 Filed 9-18-73;8:45 am]

[File No. 500-1]

COASTAL STATES GAS PRODUCING CO.

Order Suspending Trading

SEPTEMBER 12, 1973.

First Mortgage Bonds Series E 7¾ percent due 1991 of Coastal States Gas Producing Company being traded on the New York Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and First Mortgage Bonds Series A 5 percent due 1983, Series B 5 percent due 1985, Series C 6½ percent due 1986, Series D 7⅝ percent due 1989, and Series E 7¾ percent due 1991; 5½ percent Sinking Fund Debentures due 1977; and 6 percent Sinking Fund Debentures due March 1980 of Coastal States Gas Producing Company being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 19(a)(4) and 15(c)(5) of the Securites Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from September 13, 1973, through September 22, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19896 Filed 9-18-73;8:45 am]

[70-5386]

METROPOLITAN EDISON CO.

Notice of Proposed Issue and Sale of Cumulative Preferred Stock

SEPTEMBER 12, 1973.

Notice is hereby given that Metropolitan Edison Company (Met-Ed), 2800 Pottsville Pike, Mulhenberg Township, Berks County, Pennsylvania 19605, an electric utility subsidiary company of General Public Utilities Corporation, a registered holding company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating section 6(b) of the Act and Rule 50 promulgated thereunder as applicable to the proposed transaction. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transaction.

Met-Ed proposes to issue and sell for cash, subject to the competitive bidding requirements of Rule 50 under the Act, 150,000 additional shares of its cumulative preferred stock (the New Preferred Stock). The New Preferred Stock will constitute a further series of Met-Ed's cumulative preferred stock of which there are outstanding 1,243,912 shares issued in nine series. The dividend rate and redemption prices of the New Preferred Stock will be determined by competitive bidding. In all other respects the New Preferred Stock will be similar to the outstanding series. The bidding procedures which Met-Ed will use with respect to the New Preferred Stock will require that (1) the price per share specified in the bids shall not be not less than $100 (the par value of the New Preferred Stock) or more than $102.75 and (2) the dividend rate for the New Preferred Stock, which shall be specified in such bids, shall be a multiple of 1/25th of 1 percent. Prior to October 1, 1978, none of the shares of the New Preferred Stock may be redeemed at the option of Met-Ed if the moneys for such redemption are obtained by Met-Ed directly or indirectly from or in anticipation of borrowings by or for the account of Met-Ed or the proceeds of any issue of any stock ranking prior to or on a parity with the New Preferred Stock at an interest or dividend cost less than the dividend cost of this issue, subject to certain exceptions.

The proceeds ($15,000,000, exclusive of premium and accrued dividends, if any) from the sale of the New Preferred Stock will be used for the payment of all or a portion of Met-Ed's short-term bank loans expected to be outstanding at the time of sale of the New Preferred Stock or for construction purposes or to reimburse Met-Ed's treasury for funds previously expended therefrom for construction purposes. The presently estimated cost of Met-Ed's 1973 construction program is approximately $145,000,000 (including allowance for funds used during construction).

The fees and expenses to be paid by Met-Ed in connection with the issue and sale of the New Preferred Stock are estimated to total $100,000, including legal fees of $26,500. The fees and expenses of counsel for the underwriters, to be paid by the successful bidders, will be supplied by amendment. It is stated that the Pennsylvania Public Utility Commission has jurisdiction over the proposed issuance and sale of the New Preferred Stock by Met-Ed and that no other state commission and no federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than October 5, 1973, 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 the case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the General Rules and Regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19893 Filed 9-18-73;8:45 am]

[File No. 7-4443]

PBW STOCK EXCHANGE, INC.

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

SEPTEMBER 13, 1973.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to Section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the American Depositary Receipt for American Units of the following company, which security is listed and registered on one or more other national securities exchange:

Plessey Company Limited (The). File No. 7-4443

Upon receipt of a request, on or before September 29, 1973, from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

[FR Doc.73-19906 Filed 9-18-73;8:45 am]

[File No. 500-1]

TELEPROMPTER CORP.

Order Suspending Trading

SEPTEMBER 7, 1973.

The common stock, $1 par value, of TelePrompTer Corporation being traded on the New York Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of TelePrompTer Corporation, being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from 6:50 p.m., e.d.t., on September 7, 1973, and continuing through September 16, 1973.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.73-19905 Filed 9-18-73;8:45 am]

TARIFF COMMISSION

[337-33]

CERTAIN DISPOSABLE CATHETERS AND CUFFS THEREFOR

Notice of Postponement of Hearing

On September 7, 1973, the U.S. Tariff Commission postponed indefinitely the public hearing scheduled for October 9, 1973, in connection with investigation No. 337-33, Certain Disposable Catheters and Cuffs Therefor. Notice of institution of the investigation and the ordering of the hearing was published in the FEDERAL REGISTER on August 15, 1973 (38 FR 22083). Notice of the rescheduling of the hearing will be published when a new hearing date is set.

Issued on September 14, 1973.

By order of the Commission.

[SEAL] KENNETH R. MASON,
Secretary.

[FR Doc.73-19886 Filed 9-18-73;8:45 am]

DEPARTMENT OF LABOR

Office of the Secretary

BUFFALO, N.Y. PLANT OF GENERAL ELECTRIC CO.

Certification of Eligibility of Workers To Apply for Adjustment Assistance

Under date of June 22, 1973, the U.S. Tariff Commission made a report of the results of its investigation (TEA-W-196) under section 301(c)(2) of the Trade Expansion Act of 1962 (76 Stat. 884) in response to a petition for determination of eligibility to apply for adjustment assistance on behalf of workers of the Buffalo, N.Y. plant of General Electric Co., New York, N.Y. In this report, the Commission, being equally divided, made no finding with respect to whether articles like or directly competitive with transistors and diodes produced by the Buffalo plant of General Electric Co. are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof. The President subsequently decided, under the authority of section 330(d)(1) of the Tariff Act of 1930, as amended, to consider the findings of those Commissioners who found in the affirmative as the finding of the Commission.

Upon receipt of the President's authorization, the Department, through the Director of the Office of Foreign Economic Policy, Bureau of International Labor Affairs on August 8, 1973 instituted an investigation.

Following this, the Director made a recommendation to me relating to the matter of certification (Notice of Delegation of Authority and Notice of Investigation, 34 FR 18342; 37 FR 2472; 38 FR 22083; 29 FR Part 90). In the recommendation she noted that imports like or directly competitive with transistors and diodes (semiconductors) produced by the Buffalo plant of General Electric Co. increased substantially. In 1970 the General Electric Co. began importing low-current silicon rectifiers and in 1971 began importing unijunction transistors—the semiconductor products that had constituted the major portion of production at the Buffalo plant. The concessions generated increased imports of semiconductors from foreign sources were the major factor in causing the decline in production and employment levels at the Buffalo plant during the period 1970-1972. Unemployment and underemployment of a significant number of workers began in September 1970, and the plant ceased operation in December 1972. After due consideration I make the following certification:

All hourly and salaried employees of the Buffalo, N.Y. plant of the General Electric Co., who became unemployed or underemployed after August 30, 1970, are eligible to apply for adjustment assistance under Title III, Chapter 3, of the Trade Expansion Act of 1962.

Signed at Washington, D.C. this 12th day of September 1973.

JOEL SEGALL,
Deputy Under Secretary for International Labor Affairs.

[FR Doc.73-19852 Filed 9-18-73;8:45 am]

INTERSTATE COMMERCE COMMISSION

[Notice 343]

ASSIGNMENT OF HEARINGS

SEPTEMBER 14, 1973.

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. No amendments will be entertained after the date of this publication.

MC 134922 Sub 38, B. J. McAdams, Inc., now assigned September 17, 1973, at New York, N.Y., is cancelled and the application is dismissed.

MC 56553 Sub 15, Pulaski Highway Express, Inc., MC 56553 Sub 24, Pulaski Highway Express, Inc., now assigned October 9, 1973, at Columbia, Tenn., will be held in Holiday Inn, Route 31, North.

MC-F-11726, Estes Express Lines—Purchase (Portion)—Johnson's Express, Inc. (O. Tracy Parks, III, Trustee), MC-F-11727, Boyd Brothers Transportation Co., Inc.—Purchase (portion)—Johnson's Express, Inc. (O. Tracy Parks, III, Trustee), now assigned September 24, 1973, at Washington, D.C., is postponed to October 24, 1973, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC-C-8039, P. C. White Truck Line, Inc., Et Al. V. Ross Neely Express, Inc., now assigned September 18, 1973, at Montgomery, Ala., is cancelled.

MC 59655 Sub 3, Sheehan Carriers, Inc., is continued to September 25, 1973, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 118722 Subs 2 and 3, Frigid Express, Inc., now assigned October 15, 1973, at New York, N.Y., will be held in Room B-2231, 26 Federal Plaza.

MC 7840 Sub 4, St. Lawrence Freightways, Inc., now assigned October 18, 1973, at Albany, N.Y., will be held in Room 434, Post Office Building, Broadway.

MC 124813 Sub 96, Umthun Trucking Co., MC 124078 Sub 510, Schwerman Trucking Co., MC 108449 Sub 334, Indianhead Truck Line, Inc., and MC 107496 Sub 827, Ruan Transport Corp., now assigned October 23, 1973, MC 119656 Sub 13, North Express, Inc., now assigned October 26, 1973, MC 21455 Sub 31, Gene Mitchell Co., now assigned October 29, 1973, and MC 27500 Sub 6, Mishak Truck Line, Inc., now assigned October 31, 1973, at Chicago, Ill., will be held in Room 1086A, Everett McKinley Dirksen Bldg., 219 South Dearborn Street.

MC 138479, C & C Cartage, Inc., now assigned October 9, 1973, MC 138548, Indianoaks Transportation Co., now assigned October 10, 1973, MC 127042 Sub 103, Hagen, Inc., now assigned continued hearing October 11, 1973.

MC-F-11662, Denver-Midwest Motor Freight, Inc., MC 127602 Sub 12, Denver-Midwest Motor Freight, Inc.—Purchase—Streator Transfer & Storage Co., now assigned October 15, 1973, at Chicago, Ill., will be held in room 1614 Court of Claims, Everett McKinley Dirksen Bldg., 219 S. Dearborn St.

MC 108119 Sub 37, E. L. Murphy Trucking Company, now assigned October 15, 1973, and MC 138097 Sub 2, Percy Kagel, D.b.a. Kagel Trucking, now assigned October 10, 1973, at St. Paul, Minn., will be held in Room 371, Main Post Office Bldg., 180 East Kellogg Blvd.

MC-F-11885, United Truck Service—Control—Ephraim Freightways, Inc., now assigned October 24, 1973; MC 113678 Sub 63, Curtis, Inc., MC 17094 Sub 1, Nate's Truck Line, Inc. Conversion Proceeding (now reentitled) Nebraska Illinois Colorado Express, Inc. Conversion Proceeding, now assigned October 29, 1973, at Denver, Colo., will be held in Room B-230, New Customs House, 19th and Stout St.

MC 138100, Mellow Truck Express, Inc., now assigned November 5, 1973, at Portland, Oreg., will be held in Room 401, 450 Multnomah Bldg., 219 SW. Pine St.

MC 34156 Sub 5, Niedert Motor Service, Inc., now assigned October 1, 1973, at Chicago, Ill., will be held in Room 1630, Everett McKinley Dirksen Bldg., 219 South Dearborn Street.

MC-FC-73486, Delta Bus Co., Saginaw, Michigan, Transferee, and Henry A. Crooks, D.b.a. Mio Bus Line, Onaway, Michigan, Transferor, now assigned October 10, 1973, at Lansing, Mich., will be held in Room 215, Federal Bldg., 325 Allegan Street.

MC 2202 Sub 435, Roadway Express, Inc., now assigned October 15, 1973, at Lansing, Mich., will be held in Room 215, Federal Bldg., 325 Allegan Street.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19936 Filed 9-18-73;8:45 am]

FOURTH SECTION APPLICATION FOR RELIEF

SEPTEMBER 14, 1973.

An application, as summarized below, has been filed requesting relief from the requirements of section 4 of the Interstate Commerce Act to permit common carriers named or described in the application to maintain higher rates and charges at intermediate points than those sought to be established at more distant points.

Protests to the granting of an application must be prepared in accordance with § 1100.40 of the general rules of practice (49 CFR 1100.40) and filed an or before October 4, 1973.

FSA No. 42747—*Commodity Rates—Texas Export Railroad Company.* Filed by Southwestern Freight Bureau, Agent (No. B-438), for interested rail carriers. Rates on property moving on point-to-point commodity rates, between Texas Export Railroad Company stations, Bridgeport to Graham, Texas, on the one hand, and points in the United States and Canada, on the other.

Grounds for relief—New station.

By the Commission

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19939 Filed 9-18-73;8:45 am]

[Notice 21]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

SEPTEMBER 14, 1973.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules-Motor Carriers of Passengers, 1969 (49 CFR 1042.2(c)(9)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.2(c)(9)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.2(c)(9)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules-Motor Carriers of property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PASSENGERS

No. MC-1515 (Deviation No. 663) (Cancels Deviation No. 351), GREYHOUND LINES, INC. (Eastern Division), 1400 West Third St., Cleveland, Ohio 44113, filed September 5, 1973. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express* and *newspapers* in the same vehicle with passengers, over deviation routes as follows: (1) From Chattanooga, Tenn., over Interstate Highway 75 to junction U.S. Highway 411, thence over U.S. Highway 411 to junction U.S. Highway 41, thence over U.S. Highway 41 to junction Georgia Highway 293, with the following access routes: (a) from Ringgold, Ga., over Georgia Highway 151 to junction Interstate Highway 75, (b) from Dalton, Ga., over U.S. Highway 41 to junction Interstate Highway 75, (c) from Dalton, Ga., over Georgia Highway 71 to junction Interstate Highway 75, (d) from Calhoun, Ga., over U.S. Highway 41 to junction Interstate Highway 75, (e) from Calhoun, Ga., over U.S. Highway 41 to junction Georgia Highway 156, thence over Georgia Highway 156 to junction Interstate Highway 75, (f) from Adairsville, Ga., over Georgia Highway 140 to junction Interstate Highway 75, and (g) from Cartersville, Ga., over U.S. Highway 411 to junction Interstate Highway 75, and (2) from Atlanta, Ga., over Interstate Highway 75 to junction Georgia Highway 5, thence over Georgia Highway 5 to junction U.S. Highway 41, with the following access routes: (a) from Marietta, Ga., over Georgia Highway 5 to junction Interstate Highway 75, and (b) from Marietta, Ga., over Georgia Highway 120 to junction Interstate Highway 75, and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over a pertinent service route as follows: From Chattanooga, Tenn., over U.S. Highway 41 to junction Georgia Highway 293, thence over Georgia Highway 293 via Cartersville, Ga., to junction U.S. Highway 41, thence over U.S. Highway 41 to junction U.S. Highway 3 north of Marietta, Ga., thence over U.S. Highway 3 to Marietta, Ga., thence over Georgia Highway 120 to junction U.S. Highway 41, thence over U.S. Highway 41 to Atlanta, Ga., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19934 Filed 9-18-73;8:45 am]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

SEPTEMBER 14, 1973.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by § 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, any other related matters shall be directed to the State Commission with which the application is filed and shall *not* be addressed to or filed with the Interstate Commerce Commission.

California Docket No. 53996, filed April 26, 1973. Applicant: WEBSTER DELIVERY SERVICE, INC., 886 North Mission Road, Los Angeles, Calif. Applicant's representative: Levin & Oberman, Incorporated, 3550 Wilshire Boulevard, Suite 1420, Los Angeles, Calif. 90010. Certificate of public convenience and necessity sought to operate a freight service as follows: APPENDIX A—Transportation of *general commodities:* (1) Abrasives, as listed under that heading in Items Nos. 5 through 45 of Western Classification No. 75, Cal. P.U.C. No. 8, George H Dumas, Agent, on the issue date thereof; (2) Adverstising matter, as listed under that heading in Items Nos. 225 through 330 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41 and 46 thereto; (3) Cloth, dry goods or fabrics, as listed under that hearing in Items Nos. 12550 through 12885 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41, 46, 48 and 50 thereto; (4) Drugs, medicines or toilet preparations, viz: perfumery; (5) Electrical appliances or equipment, or parts named, as listed under that heading in Items Nos. 15605 through 16250 of Western Classification, No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41, 46, 48, and 50 thereto; (6) Floor coverings, as listed under that heading in Items Nos. 17865 through 17965 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 46, 48, and 50

thereto; (7) Furniture, as listed under that heading in Items Nos. 19495 through 20494 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof, and Supplements Nos. 41, 46, 48, and 50 thereto; (8) Games or toys, as listed under that heading in Items Nos. 20670 through 20870 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof, and Supplements Nos. 41, 46, 48, and 50 thereto; (9) Glassware, as listed under that heading in Items Nos. 21265 through 21585 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41, 46, 48, and 50 thereto; (10) Hardware, as listed under that heading in Items Nos. 22455 through 23660 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41, 46, 48, and 50 thereto; (11) Machinery or machines, or parts named, as listed under that heading in Items Nos. 27145 through 391920 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41, 46, 48, and 50 thereto; (12) Pads or padding, as listed under that heading in Items Nos. 35125 through 35155 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof, and Supplements Nos. 46 and 48 thereto; (13) Sheet steel ware, as listed under that heading in Items Nos. 40245 through 40490 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41, 46, 48, and 50 thereto; (14) Stationery, as listed under that heading in Items Nos. 41203 through 41290 of Western Classification No. 75, Cal P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 46 and 50 thereto; (15) Trunks or traveling bags, as listed under that heading in Items Nos. 43240 through 43280 of Western Classification No. 75, Cal. P.U.C. No. 8, George H. Dumas, Agent, on the issue date thereof and Supplements Nos. 41 and 46 thereto; and (16) Miscellaneous commodities, viz: boots or shoes, buckles, clothing, clocks, clothing, hosiery, notions, pillows, rubber, foam, silver plated ware, not on silver, synthetic resin articles, towels, or toweling, paper, watches.

APPENDIX B—LOS ANGELES BASIN TERRITORY includes that area embraced by the following boundary: Beginning at the point Ventura County-Los Angeles County boundary line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway No. 118 approximately two miles west of Chatsworth; easterly along State Highway No. 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary to McClay Avenue; northeasterly along McClay Avenue and its prolongation to the Angeles National Forest Boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to the county road known as Mill Creek Road; westerly along Mill Creek Road to the county road 3.8 miles north of Yucapia; southerly along said county road to and including the unincorporated community of Yucapia; westerly along Redlands Boulevard to U.S. Highway No. 99; northwesterly along U.S. Highway No. 99 to the corporate boundary of the City of Redlands; westerly and northerly along said corporate boundary to Brookside Avenue; westerly along Brookside Avenue to Barton Avenue; westerly along Barton Avenue and its prolongation to Palm Avenue; westerly along Palm Avenue to La Cadena Drive; southwesterly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to U.S. Highway No. 60; southwesterly along U.S. Highways Nos. 60 and 395 to the county road approximately one mile north of Perris; easterly along said county road via Nuevo and Lakeview to the corporate boundary of the City of San Jacinto; easterly, southerly and westerly along said corporate boundary to San Jacinto Avenue; southerly along San Jacinto Avenue to State Highway No. 74; westerly along State Highway No. 74 to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to the right of way of the Atchison, Topeka & Santa Fe Railway Company; southwesterly along said right of way to Washington Avenue; southerly along Washington Avenue, through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to the County road intersecting U.S. Highway No. 395, 2.1 miles north of the unincorporated community of Temecula; southerly along said County road to U.S. Highway No. 395; southeasterly along U.S. Highway No. 395 to the Riverside County-San Diego County boundary line, westerly along said boundary line to the Orange County-San Diego County boundary line; southerly along said Boundary line to the Pacific Ocean; northwesterly along the shore line of the Pacific Ocean to point of beginning; and to extend in a generally northeasterly direction along California Highway No. 14 via the cities of Newhall and Palmdale to the City of Lancaster, California and return; and to extend from the intersection of highways California No. 14 and California No. 126, westerly to the City of Saugus.

HEARING: Date, time, and place not shown. Request for procedural information should be addressed to the California Public Utilities Commission, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, Calif. 94102, and should *not* be directed to the Interstate Commerce Commission.

California Docket No. 54277, filed August 27, 1973. Applicant: CITY DRAYAGE CO., INC., P.O. Box 156, San Leandro, Calif. 94577. Applicant's representative: William D. Taylor, Handler, Baker & Greene, 100 Pine Street, Suite 2550, San Francisco, Calif. 94111. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, except the following: (a) Used household goods and personal effects not packed in accordance with the crated property requirements; (b) Livestock; (c) Liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semi-trailers or a combination of such highway vehicles; (d) Commodities when transported in bulk in dump trucks or in hopper-type trucks; (e) Commodities when transported in motor vehicles equipped for mechanical mixing in transit; (f) Logs; (g) Fresh fruits and vegetables; (h) Articles of extra ordinary value; and (i) Automobiles, trucks, buses, and trailer coaches and campers. Between all points on or within 25 miles of points on the following routes: (1) U.S. Highway 101, between Santa Rosa and Salinas, inclusive; (2) State Highway 17, between San Rafael and Santa Cruz, inclusive; (3) State Highway 1, between Santa Cruz and Monterey, inclusive; (4) Interstate Highway 80, between San Francisco and Sacramento, inclusive; (5) State Highway 4, between junction with Interstate Highway 80, near Pinole, and Stockton, inclusive; (6) Interstate Highway 580, and U.S. Highway 50, between Oakland and Stockton, inclusive; (7) Interstate Highways 580 and 5, between junction with Interstate Highway 50, near Tracy, and State Highway 152, near Los Banos; (8) State Highway 99, between Sacramento and Tulare, inclusive; and (9) State Highway 152, between junction with Interstate Highway 5, near Los Banos, and State Highway 99, near Chowchilla. In performing the service herein authorized, applicant may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

HEARING: DATE, time, and place not shown. Requests for procedural information should be addressed to the California Public Utilities Commission, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, Calif. 94102, and should not be directed to the Interstate Commerce Commission.

California Docket No. 54300, filed September 4, 1973. Applicant: HARRY LOUX, doing business as LOUX & SON DRAYAGE, 3138 Sheffield Avenue, Oakland, Calif. 94602. Applicant's representative: Daniel W. Baker, Handler, Baker & Greene, 100 Pine Street, Suite 2550, San Francisco, Calif. 94111. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, except the following: (a) Used household goods and personal effects not

packed in accordance with the crated property requirements; (b) Livestock; (c) Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semi-trailers or a combination of such highway vehicles; (d) Commodities when transported in bulk in dump trucks or in hopper-type trucks; (e) Commodities when transported in motor vehicles equipped for mechanical mixing in transit; (f) Logs; (g) Fresh fruits and vegetables; (h) Articles of extraordinary value; and (i) Automobiles, trucks and buses. Between all points and places in the San Francisco Territory, as described hereafter, and all points within ten miles of any point therein; Between all points on or within ten miles of the following routes: (a) Interstate Highway 580, between Hayward and Livermore, inclusive; (b) Interstate Highway 680, between Mission San Jose and Vallejo, inclusive; (c) State Highway 24, between Oakland and Walnut Creek, inclusive; (d) Interstate Highway 80, between Richmond and Vallejo, inclusive; (e) State Highway 4, between Pinole and Antioch, inclusive. In performing the service herein authorized, applicant may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

NOTE.—SAN FRANCISCO TERRITORY includes all the City of San Jose and that area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County Boundary Line meets the Pacific Ocean; thence easterly along said boundary line to a point 1 mile west of U.S. Highway 101; southerly along an imaginary line 1 mile west of and paralleling U.S. Highway 101 to its intersection with Southern Pacific Company right of way at Arastradero Road; southeasterly along the Southern Pacific Company right of way to Pollard Road, including industries served by the Southern Pacific Company spur line extending approximately 2 miles southwest from Simla to Permanente; easterly along Pollard Road to W. Parr Avenue; easterly along W. Parr Avenue to Capri Drive; southerly along Capri Drive to E. Parr Avenue; easterly along E. Parr Avenue to the Southern Pacific Company right of way; southerly along the Southern Pacific Company right of way to the Campbell-Los Gatos city limits; easterly along said limits and the prolongation thereof to the San Jose-Los Gatos Road; northeasterly along San Jose-Los Gatos Road to Foxworthy Avenue; easterly along Foxworthy Avenue to Almaden Road; southerly along Almaden Road to Hillsdale Avenue; easterly along Hillsdale Avenue to U.S. Highway 101; northwesterly along U.S. Highway 101 to Tully Road; northeasterly along Tully Road to Wite Road; northwesterly along White Road to McKee Road; southwesterly along McKee Road to Capitol Avenue; northwesterly along Capitol Avenue to State Highway 17 (Oakland Road); northerly along State Highway 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northerly along Foothill Boulevard to Seminary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbord Drive and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland boundary line; northerly along said boundary line to the campus boundary of the University of California; northerly and westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U.S. Highway 40 (San Pablo Avenue); northerly along U.S. Highway 40 to and including the City of Richmond; southwesterly along the highway extending from the City of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco Waterfront at the foot of Market Street; westerly along said waterfront and shore line to the Pacific Ocean; southerly along the shore line of the Pacific Ocean to the point of beginning.

HEARING: Date, time, and place not shown. Requests for procedural information should be addressed to the California Public Utilities Commission, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, Calif. 94102, and should *not* be directed to the Interstate Commerce Commission.

Texas Docket No. 4398, filed July 26, 1973. Applicant: BURK MOTOR FREIGHT, INC., 512 Magnolia Street, Burkburnett, Tex. 76354. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, from Wichita Falls to Burkburnett, Texas, over U.S. Highway 277–281, and return over the same route, serving all intermediate points.

HEARING: Date, time, and place not shown. Requests for procedural information should be addressed to the Texas Railroad Commission, P.O. Drawer 12976, Austin, Tex. 78711, and should *not* be directed to the Interstate Commerce Commission.

Utah Docket No. 4599-Sub 2, filed March 26, 1973. Applicant: BILL'S MOVING, INC., doing business as PIONEER MOVING AND STORAGE, 471 West 5th South Street, Salt Lake City, Utah 84101. Applicant's representative: Irene Warr, 430 Judge Building, Salt Lake City, Utah 84111. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of new furniture, new office fixtures, new commercial and institutional fixtures, new household fixtures and appliances, and new household and office furnishings, pianos and piano benches, over irregular routes between all points in the State of Utah. Further, Applicant seeks to remove from its present Certificate of Convenience and Necessity No. 1276 the last phrase, which reads as follows: "* * * and an operation in the transportation of items of household goods and baggage not requiring the use of numerous trucks or of vans and not operated in connection with, or as a part of, any interstate carrier service."

HEARING: October 23, 1973, at the Commission Hearing Room, 330 East 4th South Street, Salt Lake City, Utah, at 10:00 A.M.. Requests for procedural information should be addressed to the Utah Public Service Commission, 330 East 4th South Street, Salt Lake City, Utah 84111, and should *not* be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19928 Filed 9-18-73;8:45 am]

[Notice 73]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

The following publications (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 the new Special Rule 1100.247 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of December 3, 1963, which became effective January 1, 1964

The publications hereinafter set forth reflect the scope of the applications *as filed* by applicant, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable by the Commission.

MOTOR CARRIER OF PROPERTY

No. MC 2229 (Sub-Nos. 67, 106, 111, 116, 118, 122, 126, 130, and 149) (NOTICE OF FILING OF PETITION TO RENEW OR EXTEND AUTHORITY TO TRANSPORT EXPLOSIVES), filed July 9, 1973. Petitioner: RED BALL MOTOR FREIGHT, INC., 3177 Irving Boulevard, P.O. Box 47407, Dallas, Tex. 75247. Petitioner's representative: Gary L. Johnson (same address as petitioner). Petitioner presently holds *motor carrier* certificates in No. MC 2229 (Sub-Nos. 67, 106, 111, 116, 118, 122, 126, 130, and 149) issued March 23, 1956, January 11, 1962, November 23, 1962, October 5, 1964, April 14, 1969, February 11, 1966, July 30, 1965, April 14, 1966, and August 26, 1969, respectively, authorizing transportation, over regular routes, of: (1) in Sub-No. 67, general commodities, including Classes A, B, and C explosives, (a) Between Lone Star, Tex., and Hugh Springs, Tex.; and (B) Between Daingerfield, Tex., and Naples, Tex.; (2) in Sub-No. 106, general commodities, including Classes A and B explosives, (A) Between Naples, Tex., and the plantsite of the Shell Oil Company Gas Plant located approximately four miles east of Bryans Mills, Tex.; (B) Between Mard, Tex., and the plantsite of the Shell Oil Company Gas Plant located approximately four miles east of Bryans Mills, Tex.; (c) Between Junction Farm to Market Road 2065 and Texas Highway 77 and the plantsite of

the Shell Oil Company Gas Plant located approximately four miles east of Bryans Mills, Tex.; and (D) Between Junction Farm to Market Road 1766 and Texas Highway 77, approximately five miles east of Naples, Tex., and the plantsite of the Shell Oil Company Gas Plant located approximately four miles east of Bryans Mills, Tex.; (3) in Sub-No. 111, general commodities, including Classes A and B explosives, Between Winnsboro, Tex., and Quitman, Tex.; (4) in Sub-No. 116, general commodities, including Classes A and B explosives, (A) Between Jasper, Tex., and the site of McGee Bend Reservoir located approximately 15 miles northwest of Jasper; and (b) Between Junction Texas Highways 63 and 255, located approximately 12 miles northwest of Jasper, Tex., and the site of McGee Bend Reservoir, located approximately 15 miles northwest of Jasper, Tex.; (5) in Sub-No. 118, general commodities, including Classes A and B explosives, (A) Between Bernice, La., and Monroe, La.; (B) Between Junction Louisiana Highways 2 and 143 (west of Sterlington, La.) and Sterlington, La.; (C) Between Sterlington, La., and Monroe, La.; (D) Between El Dorado, Ark., and Marion, La.; (E) Between Marion, La., and junction Louisiana Highways 143 and 2; and (F) Between Monroe, La., and West Monroe, La.; (6) in Sub-No. 122, general commodities, including Classes A and B explosives, (A) Between Anacoco, La., and Hemphill, Tex.; and (B) Between Burkeville, Tex., and Anacoco, La.; (7) in Sub-No. 126, general commodities, including Classes A and B explosives, Between Haynesville, La., and Sarepta, La.; (8) in Sub-No. 130, general commodities, including Classes A and B explosives, (A) Between Ruston, La., and Dubach, La.; and (B) Between Crossett, Ark., and Strong, Ark.; and (9) in Sub-No. 149, Classes A and B explosives, (A) Between Shreveport, La., and the Louisiana Army Ammunition Plant at or near Douline, La.; and (B) Between Shreveport, La., and Leesville, La. By the instant petition, petitioner seeks to (1) renew its explosives authority contained in Sub-Nos. 67, 106, 111, 116, 122, 126, and 130 for a period of 5 years; and (2) extend the time period for its explosives authority contained in Sub-Nos. 118 and 149 for an additional 5 years. Any interested person or persons desiring to participate may file an original and six copies of his written representations, views, or arguments in support of or against the petition on or before October 19, 1973.

No. MC 29800 (NOTICE OF FILING OF PETITION FOR MODIFICATION OF CERTIFICATE), filed August 31, 1973. Petitioner: JOHN M. ANDERSON CO., a Corporation, 31 Badlong Road, Cranston 9, R.I. 02910. Petitioner's representative: Paul F. Sullivan, 711 Washington Building, Washington, D.C. 20005. Petitioner presently holds a motor *common carrier* certificate in No. MC-29800, issued December 1, 1937, authorizing transportation, by motor vehicle, over irregular routes, of *heavy industrial and commercial machinery and equipment*, between points in Rhode Island, on the one hand, and on the other, Newark, N.J., and points in New Jersey within 15 miles thereof, points in Massachusetts and Connecticut, and those in the New York, N.Y., Commercial Zone, as defined by the Commssion in 1 M.C.C. 665. By the instant petition, petitioner seeks to modify its commodity description to read: "*Commodities*, the transportation of which because of size or weight, requires the use of special equipment or special handling and *self-propelled articles*, each weighing 15,000 pounds or more, and *related machinery, tools, parts and supplies* moving in connection therewith (restricted to commodities which are transported on trailers)". Any interested person or persons desiring to participate may file an original and six copies of his written representations, views, or arguments in support of or against the petition on or before October 19, 1973.

No. MC-124567 (Sub-No. 4) (NOTICE OF FILING OF PETITION FOR REOPENING OF A "GRANDFATHER PROCEEDING" AND FOR CORRECTION OF THE REISSUED CERTIFICATE), filed August 23, 1973. Petitioners: PETRUZELLO TRANSPORT, INC., Woodbridge, Conn. Petitioner's representative: Thomas W. Murrett, 342 North Main Street, West Hartford, Conn. 06117. Petitioner holds a certificate in No. MC-124567 (Sub-No. 4) which, in part, authorizes it to perform service, in interstate or foreign commerce, transporting: *General commodities*, except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading, over described regular routes between New Haven and Bridgeport, Conn., serving the intermediate and off-route points of Berlin, Wallingford, Meriden, Stratford, Shelton, Derby, Seymour, Beacon Falls, Naugatuck, Waterbury, West Hartford, Trumbell, Ansonia, Bristol, New Britain, Milford, Devon, Woodmont, Orange, West Haven, East Haven, Branford, Hamden, and East Hartford, Conn. This authority was originally issued on March 29, 1941, in a "grandfather proceeding" in No. MC-8990; and it was subsequently reissued to petitioner on April 5, 1972. By the instant petition, petitioner requests that the original proceeding be reopened to correct its authority by deleting the service point of "West Hartford" and substituting in place thereof the point of "Hartford." Petitioner contends that it and its predecessors in interest have been serving Hartford since before the enactment of the Motor Carrier Act and that it was only through inadvertent error that this point was omitted from the original certificate. Petitioner also asserts that it is authorized to serve Hartford as a point within the commercial zone of New Britain, Conn., under the population-mileage formula established in *Commercial Zones and Terminal Areas*, 46 M.C.C. 665, 699 (1946), as set forth at (49 CFR 1048.101.). Any interested person or persons desiring to participate may file an original and six copies of his written representations, views or arguments in support of or against the petition on or before October 19, 1973.

APPLICATION(S) FOR CERTIFICATES OR PERMITS WHICH ARE TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 240 TO THE EXTENT APPLICABLE

No. MC 52110 (Sub-No. 137) filed July 3, 1973. Applicant: BRADY MOTORFRATE, INC., % Smith's Transfer Corporation, P.O. Box 1000, Staunton, Va. 24401. Applicant's representative: David G. Macdonald, 100 16th Street NW., Washington, D.C. 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, livestock, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment), (A) REGULAR ROUTES: (1) Between Hobart, Ind., and Chicago, Ill., serving all intermediate points, and off-route points within 25 miles of Chicago: From Hobart over Indiana Highway 130 to junction U.S. Highway 6, thence over U.S. Highway 6 to junction Indiana Highway 53, thence over Indiana Highway 53 to Gary, Ind., thence over city streets via Whiting, Ind., to Chicago, and return over the same route; (2) Between Chicago, Ill., and junction U.S. Highway 41 and U.S. Highway 30 serving no intermediate points, and serving the junction for joinder only: From Chicago over U.S. Highway 41 to junction U.S. Highway 52, and thence over U.S. Highway 52 to Indianapolis and return over the same route; (3) Between Elkhart, Ind., and South Bend, Ind., serving all intermediate points: From Elkhart over U.S. Highway 20, South Bend, and return over the same route; (4) Between South Bend, Ind., and Chicago, Ill., serving all intermediate points and off-route points in the Chicago, Ill., Commercial Zone, as defined by the Commission: From South Bend over U.S. Highway 20 to junction U.S. Highway 35, thence over U.S. Highway 35 to Michigan City, Ind., and thence over U.S. Highway 12 to Chicago, and return over the same route; (5) Between junction U.S. Highways 6 and 33 near Ligonier, Ind., and the Indiana-Ohio State line, serving all intermediate points: From junction U.S. Highway 33 and U.S. Highway 6 over U.S. Highway 6 to the Indiana-Ohio State line, and return over the same route; and (6) Between Elkhart, Ind., and Angola, Ind., serving no intermediate points and serving Angola, for joinder only: From Elkhart over U.S. Highway 20 to Angola, Ind., and return over the same route.

(B) ALTERNATE ROUTES FOR OPERATING CONVENIENCE ONLY: *General commodities*, (except those of unusual value, livestock, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk,

and those requiring special equipment, in connection with carriers' regular-route operations authorized herein between points in the Chicago, Ill., Commercial Zone, as defined by the Commission, and Fort Wayne, Ind.; (1) Between points in the Chicago, Ill., Commercial Zone, as defined by the Commission and Fort Wayne, Ind., serving no intermediate points: From points in the Chicago commercial zone over U.S. Highway 41 to junction U.S. Highway 6 (also from points in the Chicago commercial zone over U.S. Highway 6 to junction U.S. Highway 41), thence over U.S. Highway 6 to junction Indiana Highway 130 north of Hobart, Ind., thence over Indiana Highway 130 to Valparaiso, Ind., (also over U.S. Highway 41 from junction U.S. Highway 6 to junction U.S. Highway 30, thence over U.S. Highway 30 to Valparaiso), and thence over U.S. Highway 30 to Fort Wayne, Ind., and return over the same routes; and (2) Between junction U.S. Highway 6 and Indiana Highway 130 north of Hobart, Ind., and junction U.S. Highways 6 and 33 south of Ligonier, Ind., serving no intermediate points and serving the junction of U.S. Highway 6 and Indiana Highway 130 for purpose of joinder only: From junction U.S. Highway 6 and Indiana Highway 130 over U.S. Highway 6 to junction U.S. Highway 33, and return over the same route.

NOTE.—Carrier presently holds authority co-extensive with each of the routes requested. The present authorities appear in MC–52110 (Route 10), and in MC 52110, Sub 84 (all others). This is a matter directly related to a Section 5 proceeding in No. MC–F–11876 published in the FEDERAL REGISTER issue of May 31, 1973. The purpose of the application is to insure carrier's authority to retain those highway segments as continued parts of its retained routes rather than have them canceled upon consummation of the described sale. If a hearing is deemed necessary, applicant does not specify a location.

No. MC 123389 (Sub-No. 16) (CORRECTION), filed June 28, 1973, and published in the FEDERAL REGISTER issue of August 15, 1973, and republished, as corrected this issue. Applicant: CROUSE CARTAGE COMPANY, a Corporation, P.O. Box 151, Carroll, Iowa 51401. Applicant's representative: William S. Rosen, 630 Osborn Building, St. Paul, Minn. 55102. Authority sought to operate as a *common carrier*, by motor vehicle, over regular and irregular routes, transporting: *General commodities* (except commodities in bulk, household goods as defined by the Commission, Classes A and B explosives, and commodities of unusual value): REGULAR ROUTES: (A) (1) Between Kansas City, Mo., and Grant City, Mo., serving the intermediate and off-route points of North Kansas City, Avenue City, Rochester, Union Star, King City, Stanberry, Carmack Corners, Gentry, Worth, Allendale, Sheridan, Ford City, Albany, and Denver; (a) From Kansas City over U.S. Highway 169 to Grant City, and return over the same route; (b) From Kansas City over U.S. Highway 169 to junction Missouri State Highway 31; thence over Missouri State Highway 31 to junction U.S. Highway 169; thence over U.S. Highway 169 to Grant City, and return over the same route; (2) Between St. Joseph, Mo., and Grant City, Mo., serving the intermediate and off-route points of Avenue City, Rochester, Union Star, King City, Carmack Corners, Gentry, Worth, Allendale, Sheridan, Ford City, Albany, and Denver; From St. Joseph Mo., over U.S. Highway 169 to Grant City, and return over the same route. IRREGULAR ROUTES: (B) (1) between King City, Mo., and points in Missouri; (2) between Albany, Mo., and points in that part of Missouri on and north of U.S. Highway 50 and on and west of U.S. Highway 65; and (3) between Carmack Corners, Gentry, Worth, Denver, Grant City, and Allendale, Mo., and points in Missouri.

NOTE.—Applicant states that it will tack this requested authority with the authority held in Certificate No. MC 69036, Sub-No. 8, at common points in northwestern Missouri, if the purchase proceeding in MC–F–11869 is granted. The instant application is a matter directly related to the Section 5 purchase proceeding in MC–F–11923, published in the FEDERAL REGISTER issue of July 11, 1973. The purpose of this republication is to: (1) correct the territorial description under (A) (1) of the application; and (2) correctly reference the MC–F proceeding that this application is directly related to, which was inadvertently omitted in the previous publication. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr., or Kansas City, Mo.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto. (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

MC–F–11981. Authority sought for control by DIRECT WINTERS TRANSPORT, LIMITED, 890 Caledonia Road, Toronto 19, Ontario, Canada, of LEAMINGTON TRANSPORT (WESTERN), LIMITED, 971 Dugald Road, Winnipeg, Manitoba, Canada, and for acquisition by INTERSTATE MOTOR FREIGHT SYSTEM OF CANADA, LIMITED, 890 Caledonia Road, Toronto 19, Ontario, INTERSTATE MOTOR FREIGHT SYSTEM, 134 Grandville SW. Grand Rapids, Michigan 49502, and FUQUA INDUSTRIES, INC., 3800 First National Bank Bldg., Atlanta, Ga. 30303, of control of LEAMINGTON TRANSPORT (WESTERN), LIMITED, through the acquisition by DIRECT WINTERS TRANSPORT, LIMITED. Applicants' attorneys: EDWARD K. WHEELER, RICHARD H. STRODEL, and CHANDLER L. van ORMAN, 704 Southern Building, 15th and H Streets NW., Washington, D.C. 20005. Operating rights sought to be controlled: *Meats*, fresh, frozen, salted, cooked, cured, and preserved, as a *common carrier* over irregular routes, from the port of entry on the United States-Canada Boundary line at or near Noyes, Minn., to the port of entry on the United States-Canada Boundary line at or near Detroit, Mich., serving neither Noyes, Minn., nor Detroit, Mich., nor any intermediate point, *Meats* from the ports of entry on the United States-Canada Boundary line located at or near Noyes, Minn., and Pembina, N. Dak., to points in Minnesota and Wisconsin and points in those parts of North Dakota, South Dakota, Iowa, Missouri, and Illinois lying on, east, and north of a line extending southward from Pembina over interstate Highway 29 to points in North Dakota, South Dakota, Iowa, Missouri, and Illinois, *Meat* and *dairy products*, from points in the above named destination States, to the ports of entry on the United States-Canada Boundary line at Detroit and Port Huron, Mich., Noyes, Minn., and Pembina, N. Dak., *Meats*, *meat products*, and *meat by-products*, and etc., from the plant site and storage facilities of Wilson & Co., Inc., at Logansport, Ind., and the storage facilities of Wilson & Co., Inc., Lafayette, Ind., to ports of entry in the United States-Canada boundary line located near Noyes, Minn., Pembina, N. Dak., and Detroit and Port Huron, Mich. DIRECT WINTERS TRANSPORT LIMITED is authorized to operate as a *common carrier* in New York and Michigan. Application has been filed for temporary authority under section 210a(b).

MC–F–11982. Authority sought for control by ROY M. McNAIR, 408 Burr-Duval, San Antonia, Tex., 78209 of SHAMROCK VAN LINES, INC., 39 NE. 29th Street, Oklahoma City, Okla. Applicants' attorney: HERBERT BURSTEIN, One World Trade Center, New York, N.Y. 10048. Operating rights sought to be controlled; *Houserold goods*, as a *common carrier* over irregular routes, between certain specified points in Texas, on the one hand, and, on the other, points in Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, and Oklahoma, between Wichita, Falls, Tex., on the one hand, and, on the other, points in Oklahoma, between points in Oklahoma and certain specified points in Texas, between points in those parts of North Carolina, South Carolina, and Virginia within 450 miles of Charlotte, N.C., *Household goods* and emigrant movables, between certain specified points in Texas, on the one hand, and, on the other, points in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas, between points in Saline County, Ark., on the one hand, and, on the other, points in Louisiana, Mississippi, Oklahoma, Tennessee, and Texas, between points in Montana, Idaho, Oregon, Washington, California, and Nevada, between points in Montana on and west of U.S. Highway 89, on the one hand, and, on the other, points in Wyoming, Colorado, Utah, Arizona, and North Dakota, between points in Oklahoma, on the one

hand, and, on the other, points in Arkansas, *Used household goods* and *used office fixtures*, between points in Arkansas, on the one hand, and, on the other, points in Alabama, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Nebraska, Ohio, Oklahoma, Tennessee, Texas, North Carolina, and South Carolina, *Household goods*, between points in Texas, on the one hand, and, on the other, points in Arkansas, between points in Cuyahoga County, Ohio, on the one hand, and, on the other, points in Ohio, Pennsylvania, and New York, between points in Cuyahoga County, Ohio, on the one hand, and, on the other, points in Connecticut, Delaware, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia, between points in Arkansas, Louisiana, Oklahoma, and Texas. *Household goods* as defined by the Commission, as a *broker*, between points in Montana, on the one hand, and, on the other, points in the United States, except Alaska and Hawaii. ROY M. McNAIR holds no authority from this Commission, however, he controls TOWNE SERVICES HOUSEHOLD GOODS TRANSPORTATION CO., INC., P.O. Box 16091, San Antonio, Tex. 78246, and Empire Moving & Storage, Inc., 408 Burr-Duval, San Antonio, Texas 78209, which is authorized to operate as a *common carrier* in Texas, Illinois, Louisiana, Missouri, New Mexico, Oklahoma, Kansas, Colorado, Wyoming, Arkansas, Mississippi, Alabama, Florida, Georgia, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

MC–F–11983. Authority sought for purchase by McLEAN TRUCKING COMPANY, P.O. Box No. 213, 617 Waughtown Street, Winston-Salem, North Carolina 27102, of a portion of the operating rights of VALLEY EXPRESS, INC., 116 Lake View Drive, Wausau, Wis. 54401, and for acquisition by AMORY MELLEN, JR., 617 Waughtown Street, Winston-Salem, N.C., of control of such rights through the purchase. Applicants' attorney: FRANCIS W. McINERNY, 1000 Sixteenth Street NW., Washington, D.C. 20036. Operating rights sought to be transferred: *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, as a *common carrier* over regular routes, between Chicago, Illinois, and Milwaukee, Wisconsin, over U.S. Highway 41 to Chicago, and return over the same route; *Restriction:* Said operations are restricted against the transportation of traffic moving between Milwaukee, Wisconsin, and Chicago, Illinois. Vendee is auhorized to operate as a *common carrier* in Virginia, Massachusetts, Delaware, Maryland, Georgia, Missouri, North Carolina, South Carolina, New York, Illinois, Tennessee, Iowa, Indiana, Ohio, Texas, Maine, Michigan, Mississippi, New Jersey, New Hampshire, Rhode Island, Vermont, Wisconsin, Kentucky, West Virginia, Pennsylvania, Minnesota, Kansas, Connecticut, Louisiana, Florida, Arkansas, Alabama, and the District of Columbia. Application has been filed for temporary authority under section 210a(b). Waiver of the ten day rule has been requested.

MC–F–11984. Authority sought for purchase by FORE WAY EXPRESS, INC., 204 South Bellis Street, Wausau, Wis. 54401, of a portion of the operating rights of VALLEY EXPRESS, INC., 116 Lake View Drive, Wausau, Wis., 54401, and for acquisition by STANLEY STEFFKE, 2360 Alta Louise, Brookfield, Wis., of control of such rights through the purchase. Applicants' attorney: FRANCIS W. McINERNY, 1000 Sixteenth Street NW., Washington, D.C. 20036. Operating rights sought to be transferred: *General commodities*, with exceptions as a *common carrier* over regular routes between New Chester Township, Wisconsin, and Milwaukee, Wisconsin, from New Chester Township over unnumbered highways known as Adams and Marquette County Trunks E to junction U.S. Highway 51, thence over U.S. Highway 51 to junction U.S. Highway 18, thence over U.S. Highway 18 to Milwaukee, and return over the same route, with service authorized at Lawrence, Wisconsin, as an intermediate point, with restrictions. Vendee is authorized to operate as a *common carrier* in Wisconsin. Application has been filed for temporary authority under Section 210a(b). Waiver of the ten day rule has been requested.

MC–99565 Sub 11 is a directly related matter.

MC–F–11985. Authority sought for purchase by ARROW MOTOR FREIGHT LINE, INC., 2125 Commercial Street, Waterloo, Iowa 50704, of a portion of the operating rights of TAKIN BROS. FREIGHT LINE, INC., 2125 Commercial Street, Waterloo, Iowa 50704, and for acquisition by ALLEN E. KROBLIN, LOYAL H. FRISCH, AND KENNETH L. SCHADLE, 2125 Commercial Street, Waterloo, Iowa 50704, of control of such rights through the purchase. Applicant's representative: ALLEN KROBLIN, 2125 Commercial Street, Waterloo, Iowa 50704. Operating sought to be transferred: *General commodities* as a common carrier over regular routes, between Mason City, Iowa, and Osage, Iowa, serving all intermediate points and the off-route point of Orchard, Iowa, between Osage, Iowa, and Stacyville, Iowa, between Osage, Iowa, and Waterloo, Iowa, between Riceville, Iowa, and La Crosse, Wis., with exceptions, between Iowa Falls, Iowa, and Mason City, Iowa, between Thornton, Iowa, and Mason City, Iowa, from Mason City, Iowa, to Austin, Minn., serving no intermediate points, between Mason City, Iowa, and Grafton, Iowa, serving the intermediate point of Plymouth, Iowa, between La Crescent, Minn., and Davis Corners, Iowa, serving all intermediate points, with exceptions, from Grafton, Iowa to Austin, Minn., serving intermediate and off-route points within ten miles of Grafton, for pick-up only, alternate route for operating convenience only, between Nora Springs, Iowa, and Floyd, Iowa, between Cedar Falls, Iowa, and Iowa Falls, Iowa, with restrictions, between Davis Corners, Iowa, and junction U.S. Highway 63 and Iowa Highway 3, east of Waverly, Iowa, as an alternate route for operating convenience only in connection with carrier's regular route operations, serving no intermediate points, and serving the junction of U.S. Highway 63 and Iowa Highway 3 for joinder purposes only. *General commodities* with exceptions as a *common carrier* over irregular routes between Hampton, Iowa, on the one hand, and, on the other, Latimer, Coulter, Alexander, Rowan, Hansell, Dumont, Sheffield, Dows, and Geneva, Iowa. Vendee is authorized to operate as a *common carrier* in Minnesota, Wisconsin, Iowa, Illinois, South Dakota, and North Dakota. Application has not been filed for temporary authority under section 210a(b).

Transfer Applications To Be Assigned for Oral Hearing

No. MC–FC–74226. Authority sought by transferee, TAYLOR FREIGHT SYSTEM, INC., 1615 N. Delaware Avenue, Philadelphia, Pa. 19106, to acquire the operating rights of transferor, DEPENDABLE CONTAINER SERVICE, INC., Foot of 23rd Street, Brooklyn, N.Y. 11232. Transferee's attorney: Ronald N. Cobert, 1730 M Street NW., Washington, D.C. 20036. Transferor's attorney: Daniel McKinnon, c/o Dependable Container Service, Inc., Foot of 23rd Street, Brooklyn, N.Y. 11232. Operating rights in certificate No. MC–133704 (Sub-No. 1) sought to be transferred: *general commodities*, except commodities in bulk, classes A and B explosives, household goods as defined by the Commission, and commodities which because of size or weight require special equipment, from Philadelphia, Pa., to New York, N.Y., and from points in New Jersey, Delaware, and Maryland to Philadelphia; *electric fixtures and supplies*, from New York, N.Y., to Philadelphia, Pa., and from Philadelphia to points in New Jersey; *equipment, materials*, and *supplies* used in connection with dog shows, excluding animals, between points in Maryland, New York, New Jersey, Pennsylvania, Delaware, Virginia, Connecticut, and Massachusetts; *teletype machines and equipment*, between Philadelphia, Pa., on the one hand, and, on the other, New York, N.Y., and points in Maryland, New Jersey, and Delaware; and *glassware*, from New York, N.Y., to Philadelphia, Pa.

No. MC-FC-74488. Authority sought by transferee, JETEX FREIGHT SYSTEMS, INC., Windy Hill Farm, Newtown, Pa. 18940, to acquire a portion of the operating rights of transferor, JAMES H. RUSSELL, Washington Highway, Smithfield, R.I. 02917. Transferee's attorney: Ronald N. Cobert, 1730 M Street NW., Washington, D.C. 20036. Transferor's attorney: Daniel McKinnon, same address as transferor. Operating rights to be transferred in certificate No. MC-11727: *general commodities*, except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading, between points in Gloucester, Atlantic, and Cape May Counties, N.J., on the one hand, and, on the other, Providence, R.I., Corning, N.Y., and points in that part of Pennsylvania east of the Susquehanna River, points in that part of New York within 150 miles of Newark, N.J., points in that part of Massachusetts on and east of U.S. Highway 5, and points in that part of Connecticut on and east of U.S. Highway 5 and those on U.S. Highway 1 between the New York-Connecticut State line and New Haven, Conn.

Pursuant to an order of the Commission, Division 3, dated August 31, 1973, the above-indicated transfer applications under section 212(b) of the Interstate Commerce Act are to be assigned for hearing at a time and place hereafter to be fixed for the purpose of determining whether said applications are exempt from the provisions of Section 5 of the act and, if so, whether the transferees are fit and the applications otherwise conform to the Rules and Regulations Governing Transfers of Rights to Operate as a Motor Carrier in Interstate or Foreign Commerce (49 CFR Part 1132). Interested parties have on or before October 19, 1973, in which to file petitions for leave to intervene. Such petitions should state the reason or reasons for the sought intervention, the place where petitioner wishes the hearing to be held, the number of witnesses it expects to present, and the estimated time required for presentation of its evidence.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19033 Filed 9-18-73;8:45 am]

[Notice 125]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 13, 1973.

The following are notices of filing of application, 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, for temporary authority under Section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 1131) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 730 (Sub-No. 351 TA), filed August 31, 1973. Applicant: PACIFIC INTERMOUNTAIN EXPRESS CO., 1417 Clay Street, P.O. Box 958, Oakland, Calif. 94612. Applicant's representative: R. N. Cooledge (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Gasoline*, in bulk, in tank vehicles, from Great Bend, Kans., to points in Colorado, for 180 days. SUPPORTING SHIPPER: Texaco, Inc., P.O. Box 52332, Houston, Tex. 77052. SEND PROTESTS TO: A. J. Rodriguez, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 450 Golden Gate Ave., Box 36004, San Francisco, Calif. 94102.

No. MC 730 (Sub-No. 352 TA), filed September 4, 1973. Applicant: PACIFIC INTERMOUNTAIN EXPRESS COMPANY, 1417 Clay Street, P.O. Box 958, Oakland, Calif. 94612. Applicant's representative: R. N. Cooledge (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum products*, in bulk, in tank vehicles, from points in San Juan County, N. Mex., to points in Arizona, for 180 days. SUPPORTING SHIPPERS: The Prater Co., Inc., Box 1498, Farmington, N. Mex. 87401; Thrifway Oil Company, P.O. Box 1367, Farmington, N. Mex. 87401; and Plateau, Inc., P.O. Box 108, Farmington, N. Mex. 87401. SEND PROTESTS TO: A. J. Rodriguez, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 450 Golden Gate Avenue, Box 36004, San Francisco, Calif. 94102.

No. MC 29120 (Sub-No. 165 TA), filed August 31, 1973. Applicant: ALL-AMERICAN, INC., 900 West Delaware, P.O. Box 769, Sioux Falls, S. Dak. 57104. Applicant's representative: Michael Ogborn (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are sold, used, or dealt in by mail-order business houses, from the warehouses and facilities of Fingerhut Corporation at or near St. Cloud, Minn., to Cleveland and Cincinnati, Ohio; Omaha, Nebr.; and St. Louis, Mo., for 180 days. SUPPORTING SHIPPER: Fingerhut Corporation, 11 McLeland Road, St. Cloud, Minn. 56395. SEND PROTESTS TO: J. L. Hammond, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 369, Federal Bldg., Pierre, S. Dak. 57501.

No. MC 29120 (Sub-No. 166 TA), filed September 4, 1973. Applicant: ALL-AMERICAN, INC., 900 West Delaware, P.O. Box 769, Sioux Falls, S. Dak. 57104. Applicant's representative: Michael Ogborn (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic bristle brushes*, from Brookings, S. Dak., to Karthaus, Pa., for 180 days. SUPPORTING SHIPPER: Minnesota Mining and Manufacturing Company (3-M), 3M Center, St. Paul, Minn. 55101, Kenneth A. Kumm, Manager, Transportation Operations. SEND PROTESTS TO: J. L. Hammond, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 369, Federal Building, Pierre, S. Dak. 57501.

No. MC 30887 (Sub-No. 194 TA), filed September 5, 1973. Applicant: SHIPLEY TRANSFER, INC., 49 Main Street, Box 55, Reisterstown, Md. 21136. Applicant's representative: William B. Eckels (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Molten liquid polypropylene*, in bulk, in tank vehicles, from Crowley, La., to St. Marys, Ga., for 180 days. SUPPORTING SHIPPER: Mr. W. J. Jennings, Vice President, Crowley Hydrocarbon Chemicals, Inc., 271 Madison Ave., New York, N.Y. 10016. SEND PROTESTS TO: William L. Hughes, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 814-B Federal Bldg., Baltimore, Md. 21201.

No. MC 107002 (Sub-No. 436 TA), filed August 30, 1973. Applicant: MILLER TRANSPORTERS, INC., P.O. Box 1123, U.S. Highway 80 West, Jackson, Miss. 39205. Applicant's representative: John J. Borth (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Synthetic resins*, liquid, in bulk, in tank vehicles, from Taylorsville, Miss., to points in Alabama and Louisiana, for 180 days. SUPPORTING SHIPPER: Georgia-Pacific Corporation, P.O. Box 520, Crossett, Ark. 71635. SEND PROTESTS TO: Alan C. Tarrant, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 212, 145 East Amite Building, Jackson, Miss. 39201.

No. MC 110420 (Sub-No. 690 TA), filed September 5, 1973. Applicant: QUALITY CARRIERS, INC., Mail: P.O. Box 186, Pleasant Prairie, Wis. 53158, and Off.:

I-94 County Highway C Bristol, Kenosha Co., Wis. 53104. Applicant's representative: Fred H. Figge (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Beverage bases, fruit emulsions, and fruit concentrates*, in bulk, in tank vehicles, from Chicago, Ill., Commercial Zone as defined by the Interstate Commerce Commission, to Inwood, W. Va.; Vincentown, N.J.; and Muskogee, Okla., for 180 days. SUPPORTING SHIPPER: Wagner Industries, Div. of A. E. Staley Manufacturing Company, 2011 Swift Drive, Oak Brook, Ill. 60521 (R. T. Schoettler, Transportation Manager). SEND PROTESTS TO: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 110563 (Sub-No. 111 TA), filed September 5, 1973. Applicant: COLDWAY FOOD EXPRESS, INC., 112 N. Ohio Avenue, P.O. Box 747, Ohio Building, Sidney, Ohio 45365. Applicant's representative: John L. Maurer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat byproducts, and articles distributed by meat packinghouses* as defined 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 commodities in bulk, in tank vehicles), from the plantsite and warehouse facilities utilized by Madison Foods, Inc., at or near Madison, Nebr., to points in Virginia, West Virginia, Maryland, Delaware, New York, Pennsylvania, New Jersey, Connecticut, Massachusetts, Maine, New Hampshire, Vermont, Rhode Island, and the District of Columbia, restricted to traffic originating at the plantsite and warehouse facilities utilized by Madison Foods, Inc., at or near Madison, Nebr., for 180 days. SUPPORTING SHIPPER: Armour and Company, Fresh Meats Division, Greyhound Tower, Phoenix, Ariz . 85077. SEND PROTESTS TO: District Supervisor Keith D. Warner, Interstate Commerce Commission, Bureau of Operations, 313 Federal Office Bldg., 234 Summit Street, Toledo, Ohio 43604.

No. MC 116314 (Sub-No. 25 TA), filed September 5, 1973. Applicant: MAX BINSWANGER TRUCKING, 13846 Alondra Boulevard, Santa Fe Springs, Calif. 90670. Applicant's representative: Carl H. Fritze, 1545 Wilshire Boulevard, Los Angeles, Calif. 90017. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cement*, from Colton, Creal, Crestmore, Monolith, Oro Grande, and Victorville, Calif., and the plant site of General Portland, Inc., California Division, at or near Gorman, Calif., to points in New Mexico and Ports of Entry on the United States-Mexico boundary at or near Calexico, Tecate, and San Ysidro, Calif., for 180 days. SUPPORTING SHIPPERS: Riverside Cement Co., 2404 Wilshire Blvd., Los Angeles, Calif. 90057; Southwestern Portland Cement Co., 1034 Wilshire Blvd., Los Angeles, Calif. 90017; Monolith Portland Cement Co., 3326 San Fernando Road, Los Angeles, Calif. 90065; General Portland, Inc., California Division, 3810 Wilshire Blvd., Los Angeles, Calif. 90010; and California Portland Cement Co., 800 Wilshire Blvd., Los Angeles, Calif. 90017. SEND PROTESTS TO: Walter W. Strakosch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 7708 Federal Bldg., 300 North Los Angeles Street, Los Angeles, Calif. 90012.

No. MC 117940 (Sub-No. 95 TA), filed September 5, 1973. Applicant: NATIONWIDE CARRIERS, INC., P.O. Box 104, Maple Plain, Minn. 55359. Applicant's representative: Donald L. Stern, Suite 530, Univac Bldg., 7100 W. Center Road, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Such commodities* as are dealt in by retail department stores (except foodstuffs and furniture) and (2) *furniture* such as dealt in by retail department stores when moving with commodities dealt in by retail department stores (except foodstuffs), from points in Illinois, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania, to Minneapolis-St. Paul, Minn., and their commercial zone, limited to traffic originating at points in the named origin states and destined to the plantsites and storage facilities of Dayton-Hudson Corporation and its wholly owned subsidiaries, for 180 days. SUPPORTING SHIPPER: Dayton's, a division of Dayton-Hudson Corporation, 700 On the Mall, Minneapolis, Minn. 55402. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Court House, 110 S. 4th Street, Minneapolis, Minn. 55401.

No. MC 120800 (Sub-No. 53 TA), filed September 4, 1973. Applicant: CAPITOL TRUCK LINE, INC., 2500 North Alameda Street, Compton, Calif. 90222. Applicant's representative: David P. Christianson, Suite 825, 606 South Olive St., Los Angeles, Calif. 90014. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquefied natural gas* (LNG), from the Port of Entry, Highgate Springs, Vt., and the Port of Entry, Rouses Point, N.Y., on the International Boundary line between the United States and Canada, to Easton, Mass., and Marshfield, Mass., for 150 days. SUPPORTING SHIPPER: Brockton Taunton Gas Co., 125 High Street, Boston, Mass. SEND PROTESTS TO: Walter W. Strakosch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 7708, Federal Bldg., 300 North Los Angeles St., Los Angeles, Calif. 90012.

No. MC 123074 (Sub-No. 4 TA), filed September 5, 1973. Applicant: M. L. ASBURY, INC., 1100 South Oakwood, Detroit, Mich. 48217. Applicant's representative: William B. Elmer, 21635 East Nine Mile Road, St. Clair Shores, Mich. 48080. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid silage additive*, in bulk, in tank vehicles, from Adrian, Mich., to points in Indiana and Ohio, for 150 days. SUPPORTING SHIPPER: Ruminant Nitrogen Products, Inc., 1510 East Maumee, Adrian, Mich. 49221. SEND PROTESTS TO: Melvin F. Kirsch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1110 Broderick Tower Bldg., 10 Witherell, Detroit, Mich. 48226.

No. MC 124821 (Sub-No. 10 TA), filed September 5, 1973. Applicant: WILLIAM GILCHRIST, 509 Susquehanna Avenue, Old Forge, Pa. 18518. 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: (1) *Tile* (except clay tile), *facing or flooring*, from Chicago Heights, Ill., to points in New York, New Jersey, Pennsylvania, Virginia, Maryland, Delaware, Connecticut, Massachusetts, Rhode Island, Maine, New Hampshire, Vermont, and the District of Columbia, restricted to the transportation of traffic originating at the plant or storage facilities of Flintkote Company, Chicago Heights, Ill., and (2) materials and supplies used in the manufacture of the above commodities (except commodities in bulk), from points in the above-described destination states, to Chicago Heights, Ill., restricted to the transportation of traffic destined to the plant site of the Flintkote Company, Chicago Heights, Ill., for 180 days. SUPPORTING SHIPPER: The Flintkote Company, Flooring & Industrial Products Division, 480 Central Avenue, East Rutherford, N.J. 07073. SEND PROTESTS TO: Paul J. Kenworthy, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 309 U.S. Post Office Bldg., Scranton, Pa. 18503.

No. MC 128196 (Sub-No. 8 TA), filed August 31, 1973. Applicant: KARL ARTHUR WEBER, Off. 2002 West Cypress Street, Mlg.: P.O. Box 20662 (box zip 85036), Phoenix, Ariz. 85009. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, plywood, hardwood, particle boards, timbers and laminated wood products, wood building materials, gypsum and gypsum products*, including *metal studs, lathes, and wire forming materials*, including the loading and unloading of Piggy-back trailers and railroad cars, having a destination or a prior Interstate Commerce Commission movement, to off-rail job sites, and *related products* used in construction with gypsum products, between points in Washington, Oregon, California, Nevada, Idaho, Montana, Wyoming, Utah, Colorado, Arizona, New Mexico, Texas, and Oklahoma, including the loading and unloading of piggy-back trailers and railcars, having a destination or a prior Interstate Commerce

Commission movement, to off rail job sites, for 180 days. SUPPORTING SHIPPERS: Slaughter Industries, Inc., 2801 Lombardy Lane, Dallas, Tex. 75220; American Lumber Species, Inc., P.O. Box 214661, Sacramento, Calif., 95821; and Weber Lumber, 2002 W. Cypress, Phoenix, Ariz. 85009. SEND PROTESTS TO: Andrew V. Baylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 3427 Federal Bldg., 230 N. First Ave., Phoenix, Ariz. 85025.

No. MC 128685 (Sub-No. 16 TA), filed August 30, 1973. Applicant: DIXON BROS., INC., P.O. Box 636, Newcastle, Wyo. 82701. Applicant's representative: Robert S. Stauffer, 3539 Boston Road, Cheyenne, Wyo. 82001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pre-packaged homes and buildings, complete or in sections, and all equipment, supplies, and component parts* used in construction, erection, or completion of such homes and building, from the plant site and warehousing facilities of Nordaas American Homes in or near Minnesota Lake, Minn., to points in Colorado, North Dakota, Montana, Nebraska, South Dakota, and Wyoming, for 180 days. SUPPORTING SHIPPER: Nordaas American Homes, Minnesota Lake, Minn. 56068. SEND PROTESTS TO: District Supervisor Paul A. Naughton, Interstate Commerce Commission, Bureau of Operations, Rm. 1006 Federal Bldg. and Post Office, 100 East B Street, Casper, Wyo. 82601.

No. MC 133666 (Sub-No. 7 TA), filed September 5, 1973. Applicant: JACOBSON TRANSPORT, INC., 1112 Second Avenue South, Wheaton, Minn. 56296. Applicant's representative: Keith C. Davison, 1112 Broadway, Wheaton, Minn. 56296. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquified petroleum gas*, in bulk, in tank vehicles, from International Border, between Manitoba, Canada, and points in Minnesota, to points in Minnesota, North Dakota, and South Dakota, for 180 days. SUPPORTING SHIPPER: Midwest Gas Supply Co., Alexandria, Minn. 56308. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Court House, 110 S. 4th Street, Minneapolis, Minn. 55401.

No. MC 133966 (Sub-No. 28 TA), filed September 5, 1973. Applicant: NORTH EAST EXPRESS, INC., P.O. Box 61, Mountaintop, Pa. 18707. Applicant's representative: Kenneth R. Davis, 999 Union Street, Taylor, Pa. 18517. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Paper and paper products*, as described in Appendix XI of "Descriptions in Motor Carrier Certificates," 61 M.C.C. 209, from Vicksburg, Mich., to Hartford, Hampden, and Meriden, Conn.; Baltimore and Rockville, Md.; the District of Columbia; Boston, Westminster, Holyoke, Hyde Park, and Needham, Mass.; Fairlawn, Hoboken, Passaic, and Trenton, N.J.; New York and Shoreham, L.I., N.Y.; Harrisburg, Lancaster, Philadelphia, and Reading, Pa.; and Providence, R.I., for 150 days. SUPPORTING SHIPPER: Simpson Lee Paper Company, Vicksburg, Mich. 49097. SEND PROTESTS TO: Paul J. Kenworthy, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 309 U.S. Post Office Building, Scranton, Pa. 18503.

No. MC 134783 (Sub-No. 10 TA), filed September 4, 1973. Applicant: DIRECT SERVICE INC., P.O. Box 786, Dimmett Highway West, Plainview, Tex. 79072. Applicant's representative: Ronald V. Dreckman (same address as above). 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 Sections A and C of Appendix I to the report in "Descriptions in Motor Carrier Certificates," 61 M.C.C. 209 and 766, from the plantsite of John Morrell & Co., at or near Lubbock, Tex., to St. Paul, Minn., and Sioux Falls, S. Dak., for 180 days. SUPPORTING SHIPPER: Robert E. Lee, John Morrell & Co., 208 S. La Salle St., Chicago, Ill. 60604. SEND PROTESTS TO: Haskell E. Ballard, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Box H-4395 Herring Plaza, Amarillo, Tex. 79101.

No. MC 136249 (Sub-No. 4 TA), filed August 28, 1973. Applicant: JAMES R. GALBRAITH, JR., Route No. 1, Box 123, Camanche, Iowa 52730. Applicant's representative: Carl E. Munson, 469 Fischer Building, Dubuque, Iowa 52001. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and advertising material*, from Omaha, Nebr., to Clinton, Iowa, for 180 days. SUPPORTING SHIPPER: McMahon Beverage Co., 241 Main Street, Clinton, Iowa 52732. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 138954 (Sub-No. 1 TA), filed August 30, 1973. Applicant: G. L. CREECH, doing business as TRUCK SERVICE HAULING AND RENTAL, 1748 Sherwood Forrest Blvd., P.O. Box 15891, Baton Rouge, La. 70815. Applicant's representative: James B. Thompson III, Suite 410, Roumain Bldg., Baton Rouge, La. 70801. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Steel reinforcing rods*, from Baton Rouge, La., to Pascagoula, Miss., and Courtland, Ala., for 180 days. SUPPORTING SHIPPER: Armco Steel Corporation, P.O. Box 723, Houston, Tex. 77001, Mr. N. F. Starnes, Asst. Transportation Mgr., Southwestern Area. SEND PROTESTS TO: Ray C. Armstrong, Jr., District Supervisor, Interstate Commerce Commission, Bureau of Operations, T-9038 U.S. Postal Service Bldg., 701 Loyola Avenue, New Orleans, La. 70113.

No. MC 139053 TA, filed September 4, 1973. Applicant: HIRAM E. BLUE, JR., P.O. Box 94, Vardaman, Miss. 38878. Applicant's representative: Fred W. Johnson, Jr., P.O. Box 22628, Jackson, Miss. 39205. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, poles, piling, pallets, timbers, and crossties*, treated or untreated, between points in Calhoun, Chickasaw, and Pontotoc Counties, Miss., on the one hand, and, on the other, points in Louisiana, Arkansas, Tennessee, Alabama, and Georgia, for 90 days. SUPPORTING SHIPPERS: There are approximately 10 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. SEND PROTESTS TO: Alan C. Tarrant, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 212, 145 East Amite Building, Jackson, Miss. 39201.

No. MC 139054 TA, filed September 5, 1973. Applicant: RANKO SCHUUR AND ROGER SCHUUR, doing business as SHORTY'S TOWING SERVICE, 5755 University Ave. NE., Fridley, Minn. 55432. Applicant's representative: Andrew R. Clark, 1000 First National Bank Bldg., Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wrecked and disabled motor vehicles and replacement vehicles therefor*, between points in Hennepin, Ramsey, and Anoka Counties, Minn., on the one hand, and points in Illinois, Indiana, Iowa, Nebraska, North Dakota, South Dakota, and Wisconsin, on the other, for 180 days. SUPPORTING SHIPPERS: There are approximately 13 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. SEND PROTESTS TO: District Supervisor Raymond T. Jones, Interstate Commerce Commission, Bureau of Operations, 448 Federal Bldg. & U.S. Court House, 110 S. 4th St., Minneapolis, Minn. 55401.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19935 Filed 9-18-73;8:45 am]

[Notice 126]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 14, 1973.

The following are notices of filing of application, 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, for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR, Part 1131)

published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 488 (Sub-No. 9 TA), filed September 7, 1973. Applicant: BREMAN'S EXPRESS COMPANY, 300 Canal Street, Leechburg, Pa. 15656. Applicant's representative: Edward Goldberg, Law & Finance Bldg., Pittsburgh, Pa. 15219. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Refractory products and materials and supplies* used in the installation of refractory products (except in bulk or in tank or hopper vehicles), from Clearfield, Pa.; Curwensville, Pa.; Irvona, Pa.; and Pike Township, Clearfield County, Pa., to points in that part of Ohio east of U.S. Highway 21 and north of U.S. Highway 50, and that part of West Virginia east of U.S. Highway 21 and north of U.S. Highway 50, including points on the indicated portions of the highways specified with no transportation for compensation on return except as otherwise authorized, for 180 days. SUPPORTING SHIPPERS: North American Refractores, 1012 National City, E. 6th Bldg., Cleveland, Ohio 44114, and Swank Refractories Company, 101 Swank Court, P.O. Box 630, Johnstown, Pa. 15907. SEND PROTESTS TO: District Supervisor James C. Donaldson, Interstate Commerce Commission, Bureau of Operations, 2111 Federal Bldg., 1000 Liberty Avenue, Pittsburgh, Pa. 15222.

No. MC 52598 (Sub-No. 2 TA), filed September 6, 1973. Applicant: SIOUX CITY REFRIGERATED EXPRESS, INC., 605 South 14th Street, Box 82028, Lincoln, Nebr. 68359. Applicant's representative: John L. Ross, 69 Woodland Circle, Edina, Minn. 55424. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Tires, farm implement rims, and wheels and raw rubber* for recapping tires (except commodities in bulk, in tank vehicles), from the plant facilities and warehouses of (a) Peterson Manufacturing Co., Elk Grove Village, Ill.; (b) Pirelli Tire Co., Elk Grove Village, Ill.; and (c) Ban Dag Corporation, Muscatine, Iowa, to West Point and Fremont, Nebr., for 180 days. SUPPORTING SHIPPER: Dexter L. Critel, D & S Tire Sales, 661 South Lincoln Street, West Point, Nebr. 68788. SEND PROTESTS TO: Max H. Johnston, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 320 Federal Building & Court House, Lincoln, Nebr. 68508.

No. MC 82063 (Sub-No. 45 TA), filed September 5, 1973. Applicant: KLIPSCH HAULING CO., Office: 119 E. Loughborough Ave., Mlg.: 112 N. 4th Street, St. Louis, Mo. 63111. Applicant's representative: Ernest A. Brooks II, 1301 Ambassador Building, St. Louis, Mo. 63101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid hydrofluosilicic acid*, from Uncle Sam, La., to points in Texas and Oklahoma, for 180 days. SUPPORTING SHIPPER: Thompson-Hayward Chemical Company, P.O. Box 2383, Kansas City, Kans. 66110. SEND PROTESTS TO: District Supervisor J. P. Werthmann, Interstate Commerce Commission, Bureau of Operations, Room 1465, 210 N. 12th Street, St. Louis, Mo. 63101.

No. MC 107496 (Sub-No. 907 TA), filed September 5, 1973. Applicant: RUAN TRANSPORT CORPORATION, Third and Keosauqua Way, P.O. Box 855 (Box zip 50304), Des Moines, Iowa, 50309. Applicant's representative: E. Check (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid animal feed*, in bulk, in tank vehicles, from Adrian, Mich., to points in Iowa, Illinois, and Wisconsin, for 150 days. SUPPORTING SHIPPER: Terra Chemicals International, Inc., 507 Sixth St., Sioux City, Iowa 51101. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 109449 (Sub-No. 16 TA), filed September 7, 1973. Applicant: KUJAK BROS. TRANSFER, INC., 352 Junction Avenue, P.O. Box 677, Winona, Minn. 55987. Applicant's representative: Charles E. Nieman, 1160 Northwestern Bank Bldg., Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Scrap iron*, from La Crosse, Wis., to Lake City, Minn., for 180 days. SUPPORTING SHIPPER: Paper, Calmenson & Co., Highway No. 280 at Highway No. 36, St. Paul, Minn. 55165. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commision, Bureau of Operations, 448 Federal Building & U.S. Court House, 110 S. 4th St., Minneapolis, Minn. 55401.

No. MC 110420 (Sub-No. 691 TA), filed September 6, 1973. Applicant: QUALITY CARRIERS, INC., Mail: P.O. Box 186, Pleasant Prairie, Wis. 53158, and Off: I-94 County Highway C, Bristol, Kenosha Co., Wis. 53104. Applicant's representative: Richard L. Salamon (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sodium citrate*, dry, in bulk, from Zeeland, Mich., to St. Louis, Mo., for 180 days. SUPPORTING SHIPPER: Miles Laboratories, Inc., 1127 Myrtle St., Elkhart, Ind. 46514. SEND PROTESTS TO: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 111496 (Sub-No. 14 TA), filed September 7, 1973. Applicant: TWIN CITY FREIGHT, INC., 2280 Ellis Avenue, St. Paul, Minn. 55414. Applicant's representative: Richard P. Anderson, 502 First National Bank Bldg., Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Salt and salt products*, from points in Williams County, N. Dak., to points in Minnesota, and to those points in South Dakota, east of the Missouri River, for 180 days. SUPPORTING SHIPPER: Hardy Salt Company, P.O. Drawer 449, St. Louis, Mo. 63166. SEND PROTESTS TO: District Supervisor Raymond T. Jones, Interstate Commerce Commission, Bureau of Operations, 448 Federal Bldg. & U.S. Court House, 110 S. 4th St., Minneapolis, Minn. 55401.

No. MC 112963 (Sub-No. 47 TA), filed September 6, 1973. Applicant: ROY BROS., INC., 764 Boston Road, Pinehurst, Mass. 01866. Applicant's representative: Leonard E. Murphy (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Caustic soda*, in bulk, in tank vehicles, from Providence, R.I., to Rumford, Maine, for 180 days. SUPPORTING SHIPPER: Polar Chemicals, Inc., Crowley Road, Lewiston, Maine 04240. SEND PROTESTS TO: Darrell W. Hammons, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 150 Causeway St., Boston, Mass. 02114.

No. MC 113025 (Sub-No. 6 TA), filed September 6, 1973. Applicant: RALPH C. ISLAND, doing business as ISLAND FREIGHT, P.O. Box 147, Deadwood, S. Dak. 57732. Applicant's representative: A. Milton Evans, P.O. Box 1286, Rapid City, S. Dak. 57701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Flour, feed, and feed ingredients*, in bulk, from the plantsite of Hubbard Milling Co., at Mankato, Minn., to the plantsite of Hubbard Milling Co., at Rapid City, S. Dak., for 180 days. SUPPORTING SHIPPER: Hubbard Milling Co., P.O. Box 431, Rapid City, S. Dak. 57701. SEND PROTESTS TO: J. L. Hammond, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 369, Federal Building, Pierre, S. Dak. 57501.

No. MC 115162 (Sub-No. 280 TA), filed September 6, 1973. Applicant: POOLE TRUCK LINE, INC., P.O. Drawer 500,

Evergreen, Ala. 36401. Applicant's representative: Robert E. Tate (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fireplaces, fireplaces and chimney combined, and fireplace units*, from points in Madison County, Ala., to points in Macomb, Oakland, and Wayne Counties, Mich., for 180 days. SUPPORTING SHIPPER: Paneling Unlimited, 345 North Main, Plymouth, Mich. 48170. SEND PROTESTS TO: Clifford W. White, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 814, 2121 Building, Birmingham, Ala. 35203.

No. MC 120098 (Sub-No. 23 TA), filed August 31, 1973. Applicant: UINTAH FREIGHTWAYS, 1030 South Redwood Road, Salt Lake City, Utah 84104. Applicant's representative: William S. Richards, 900 Walker Bank Building, P.O. Box 2465, Salt Lake City, Utah 84110. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes transporting: *Barite*, from (1) points in Lander and Eureka Counties, Nev., to points in Wyoming, and (2) from Salt Lake City, Utah, and the Salt Lake City commercial zone, to points in Wyoming, for 180 days. SUPPORTING SHIPPER: Imco Services, a Division of Halliburton Company, 480 Colorado State Bank Bldg., Denver, Colo. 80202 (Charles W. Wareen, Area Manager). SEND PROTESTS TO: Lyle D. Helfer, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 5239 Federal Building, 125 South State Street, Salt Lake City, Utah 84138.

No. MC 123476 (Sub-No. 19 TA), filed September 5, 1973. Applicant: CURTIS TRANSPORT, INC., 1334 Lonedell Road, Arnold, Mo. 63010. Applicant's representative: O. E. Mueller (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic foam products*, in extra high cube drop frame vans, from the plantsites and warehouses of Dow Chemical U.S.A., located at Magnolia, Ark., and Pevely, Mo., to points in Florida, Georgia, North Carolina, and South Carolina, for 180 days. SUPPORTING SHIPPER: Dow Chemical U.S.A., 433 Building, Midland, Mich. 48640. SEND PROTESTS TO: District Supervisor J. P. Werthmann, Interstate Commerce Commission, Bureau of Operations, Room 1465, 210 N. 12th Street, St. Louis, Mo. 63101.

No. MC 124813 (Sub-No. 108 TA), filed September 6, 1973. Applicant: UMTHUN TRUCKING CO., 910 South Jackson Street, Eagle Grove, Iowa 50533. Applicant's representative: William L. Fairbank, 900 Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lime*, in bulk, from the plant of Rockwell Lime Company in Manitowoc County, Wis., to points in Iowa, for 180 days. SUPPORTING SHIPPER: Rockwell Lime Company, Route 4, Manitowoc, Wis. 54220. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 129973 (Sub-No. 7 TA), filed September 4, 1973. Applicant: FIELD MARKETING SERVICES, INC., Off: 825 Third Avenue, Mail: 466 Lexington Avenue, New York, N.Y. 10022. Applicant's representative: William J. Lippman, Suite 550, 1819 H Street NW., Washington, D.C. 20006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Business and trade directories, registers and guides; credit reference books; and related publications, business materials and supplies*, (1) between points in Nassau, Suffolk, Westchester, Orange, Rockland, Putnam, New York, The Bronx, Queens, Kings, and Richmond Counties, N.Y., and Monmouth, Mercer, Middlesex, Somerset, Hunterdon, Union, Essex, Morris, Hudson, Bergen, Passaic, and Sussex Counties, N.J.; (2) between points in Cook, DuPage, Kane, Kendall, Lake, and Will Counties, Ill., and Lake County, Ind.; and (3) between points in Suffolk, Essex, Middlesex, Worcester, Norfolk, Bristol, Plymouth, and Barnstable Counties, Mass., and Hillsborough County, N.H., for 180 days. SUPPORTING SHIPPER: Dun & Bradstreet, Inc., Att: Eugene J. Gillespie, Jr., Vice President & General Counsel, 99 Church Street, New York, N.Y. 10007. SEND PROTESTS TO: Stephen P. Tomany, Interstate Commerce Commission, Bureau of Operations, 26 Federal Plaza, New York, N.Y. 10007.

No. MC 134404 (Sub-No. 11 TA), filed September 5, 1973. Applicant: AMERICAN TRANS-FREIGHT, INC., P.O. Box 499, So. Bound Brook, N.J. 08880. Applicant's representative: Bert Collins, 5 World Trade Center, Suite 6193, New York, N.Y. 10045. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Molded tires, wheels*, and *hub caps* (except in bulk) in shipper's containers or packaged, from the plantsite of Amerace Corporation at Lineville, Ala., to Mobile, Ala.; Atlanta, Cartersville, McRae, and Savannah, Ga.; Arlington Heights, Chicago, Cicero, Genoa, Melrose Park, Olney, Polo, Princeton, Princeville, Northbrook, Springfield, and Streator, Ill.; Bluffton, Evansville, Ft. Wayne, Goshen, Indianapolis, Lynn, Muncie, Richmond, Shelbyville, So. Bend, Union City, and Warsaw, Ind.; Des Moines, Ft. Madison, and Manning, Iowa; Bowling Green, Ky.; Detroit, Jackson, and Kalamazoo, Mich.; Hampstead, Md.; Minneapolis, St. Louis Park, St. Paul, and Windom, Minn.; Brookhaven and Tupelo, Miss.; Jackson, Springfield, and St. Louis, Mo.; Omaha, Nebr.; New Orleans, La.; Charlotte, Fayetteville, and Wilmington, N.C.; Jacksonville, Fla.; Alliance, Ansonia, Ashtabula, Bucyrus, Celina, Cincinnati, Cleveland, Cuyahoga Falls, Geneva, Harrison, Massileon, Newark, Piqua, Shelby, Springfield, Toledo, Urbana, Van Wert, and Willard, Ohio; Harrisburg and Lansdale, Pa.; Manning, Orangeburg, Sumter, and Charleston, S.C.; Schulenburg, Tex.; Chattanooga, Jackson, Johnson City, Lawrenceburg, Memphis, Milan, and Nashville, Tenn.; Norfolk, Newport News, and Portsmouth, Va.; Martinsburg, W. Va.; Janesville, Horican, Milwaukee, Plymouth, Racine and Sheboygan, Wis., for 180 days. SUPPORTING SHIPPER: Amerace Corporation, Ace Road, Butler, N.J. 07405. SEND PROTESTS TO: District Supervisor Robert S. H. Vance, Bureau of Operations, Interstate Commerce Commission, 9 Clinton Street, Newark, N.J. 07102.

No. MC 134922 (Sub-No. 50 TA), filed September 7, 1973. Applicant: B. J. McADAMS, INC., Route 6, Box 15, North Little Rock, Ark. 72118. Applicant's representative: L. C. Cypert (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal* and/or *vegetable oils* and/or *shortenings* (except in bulk), from Helena, Ark., to Anniston, Birmingham, Huntsville, Mobile, Montgomery, and Tuscaloosa, Ala.; Jacksonville, Miami, Orlando, St. Petersburg, and Tampa, Fla.; Albany, Atlanta, Augusta, Columbus, Macon, and Thomasville, Ga.; Ft. Campbell, Lexington, Louisville, and Paducah, Ky.; Alexandria, Baton Rouge, Lake Charles, New Orleans, and Shreveport, La.; Biloxi, Columbus, Gulfport, Keesler AFB, Jackson, Vicksburg, and West Point, Miss.; Charlotte, Cherry Point, Durham, Fayetteville, Greensboro, Raleigh, Rocky Mount, Wilmington and Winston-Salem, N.C.; Charleston, Columbia, Ft. Jackson, Florence, Greenville, Orangeburg, Parris Island, and Spartanburg, S.C.; Bristol, Chattanooga, Columbia, Gallatin, Knoxville, and Nashville, Tenn.; Lynchburg, Norfolk, Richmond, and Roanoke, Va.; Beckley, Charleston, Norton, and Williamson, W. Va., for 180 days. SUPPORTING SHIPPER: Armour Food Company, 111 W. Clardendon Avenue, Greyhound Tower, Phoenix, Ariz. 85077. SEND PROTESTS TO: District Supervisor William H. Land, Jr., Bureau of Operations, Interstate Commerce Commission, 2519 Federal Office Bldg., 700 West Capitol, Little Rock, Ark. 72201.

No. MC 136777 (Sub-No. 5 TA), filed September 4, 1973. Applicant: POPELKA TRUCKING CO., doing business as THE WAGGONERS, 201 W. Park, P.O. Box 990, Livingston, Mont. 59047. Applicant's representative: David R. Kemp (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in or used by tire stores for the account of Tom Sherry Tire, Inc., from Portland, Oreg., and Seattle, Wash., to points in Montana and Idaho, for 180 days. SUPPORTING SHIPPER: Tom Sherry Tire, Inc., 200 West Broadway, Missoula, Mont. 59801. SEND PROTESTS TO: Paul J.

Labane, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Rm. 222 U.S. Post Office Building, Billings, Mont. 59101.

No. MC 138080 (Sub-No. 3 TA), filed September 7, 1973. Applicant: EDWARD R. WOLFE, doing business as WOLFE TRUCKING, 6725 Doncaster Drive, Gladstone, Oreg. 97027. Applicant's representative: Edward R. Wolfe (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Expanded shale rock*, from points in Washington County, Oreg., to points in Idaho, for 180 days. SUPPORTING SHIPPER: Empire Building Material Co., 9255 NE. Halsey, P.O. Box 20086, Portland, Oreg. 97220. SEND PROTESTS TO: District Supervisor A. E. Odoms, Bureau of Operations, Interstate Commerce Commission, 450 Multnomah Building, 319 SW. Pine, Portland, Oreg. 97204.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.73-19937 Filed 9-18-73;8:45 am]

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Volume 38 ■ Number 181

PART II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

■

ADMINISTRATION OF GRANTS

Title 45—Public Welfare

SUBTITLE A—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, GENERAL ADMINISTRATION

PART 74—ADMINISTRATION OF GRANTS

The following Part 74 establishes a regulatory umbrella for Department of Health, Educaton, and Welfare (DHEW) implementation of Office of Management and Budget (OMB) Circular No. A-102 "Uniform administrative requirements for grants-in-aid to State and local governments." In addition, Part 74 establishes (in Subpart Q and Appendices C, D, E, and F) principles for determining allowable costs under DHEW grants to the various types of grantee organizations.

Relation to OMB Circular No. A-102. Subparts B through P, inclusive, are derived from OMB Circular No. A-102, which is binding on DHEW and all other Federal agencies making grants to State and local governments. The Circular was one of the major results of the Federal Assistance Review (FAR) program, a three-year effort ordered by the President on March 29, 1969, to simplify, standardize, decentralize, and otherwise modernize the Federal grant machinery. Inherent in the FAR program and in the development of the standards in Circular A-102 was the concept of placing greater reliance on State and local governments.

Circular No. A-102 consists of a basic document, setting forth the Circular's purpose, background, certain definitions, coverage, etc., and a series of attachments, each of which covers a more or less discrete area of grant administration. The Circular's attachments are as follows:

Attachment:	*Subject*
A	Cash Depositories.
B	Bonding and Insurance.
C	Retention and Custodial Requirements for Records.
D	Waiver of "Single" State Agency Requirements.
E	Program Income.
F	Matching Share.
G	Standards for Grantee Financial Management Systems.
H	Financial Reporting Requirements.
I	Monitoring and Reporting of Program Performance.
J	Grant Payment Requirements.
K	Budget Revision Procedures.
L	Grant Closeout Procedures.
M	Standard Forms for Applying for Federal Assistance.
N	Property Management Standards.
O	Procurement Standards.

Subpart A of Part 74 provides general requirements applicable to Part 74 as a whole, and is roughtly analogous in function to the basic A-102 circular document. Subparts B through P of Part 74 correspond on a one-to-one basis with Attachments A through O of the Circular.

Cost principles. The four sets of cost principles prescribed by Subpart Q (and set forth in full text in Appendices C, D, E, and F) have been in use by DHEW for several years but have hitherto been published by DHEW only in staff manual and brochure formats.

Appendix C covers grants to State and local governments, and is taken essentially verbatim from OMB Circular No. A-87 "Principles for determining costs applicable to grants and contracts with State and local governments" which is binding on all Federal agencies. Appendix D covers grants to institutions of higher education; it is taken essentially verbatim from OMB Circular No. A-21, which is also Government-wide in applicability. Part I of Circular A-21 (and of Appendix D) is entitled "Principles for determining costs applicable to research and development under grants and contracts with educational institutions." Part II is entitled "Principles for determining costs applicable to training and other educational service under grants and contracts with educational institutions."

Appendices E and F respectively cover grants to hospitals and grants to all other nonprofit organizations. These two sets of cost principles were developed by DHEW several years ago because there are no Government-wide cost principles for these two kinds of grantee organizations. The DHEW principles are basically translations into the hospital and nonprofit organization context of the precedents established by the preexisting Government-wide cost principles that have been applicable to other types of grantee organizations. In the hospital cost principles, the provisions dealing with research patient care costs (for clinical research grants) were adapted from the principles used by the Social Security Administration for reimbursement of (hospital) provider costs under the Medicare program.

Applicability of Subparts B through P. Since OMB Circular No. A-102 is applicable to all Federal grants to State or local governments, Subparts B through P of Part 74 are of necessity applicable to all DHEW grants to State or local governments. For this purpose, the terms "State" and "local government" are (as in Circular A-102) defined in Part 74 (§ 74.3) so as not to include any institutions of higher education or hospitals.

Circular A-102 is not by its terms required to be applied to Federal grants to school districts. However, DHEW has elected to apply the Circular to its school district grantees as if such application had been made mandatory by OMB; the Department can find no basis for denying school districts the benefits of the new standardization of administrative requirements. DHEW has traditionally made grants to school districts on essentially the same terms and conditions as grants to other governmental entities; nor can the Department find any provisions in Circular A-102 which appear to be unsuitable for school districts. To reflect this decision, the definition of "local government" in § 74.3 expressly includes school districts, so that they are covered by Subparts B through P.

DHEW also had to consider the question of whether to apply the provisions of Circular A-102 to the nongovernmental sector, i.e., institutions of higher education, hospitals, and other nonprofit grantees. Although the Circular was designed only for grants to State and local governments, a substantial number of its provisions are equally appropriate for grants to nongovernmental grantees. Additionally, the General Services Administration is expected in the not too distant future to issue a Federal policy statement (binding on HEW) which in effect will extend the applicability of many of Circular A-102's provisions to nongovernmental grantees.

In keeping with the traditional DHEW practice of using similar terms and conditions for all eligible recipients, it would be clearly desirable for many DHEW grant programs to adopt these A-102 provisions, to the extent feasible, for all grantee types at the same time.

Consequently, Subparts B through P of Part 74 are designed so that the granting agencies of DHEW may, where determined to be appropriate, make them applicable to institutions of higher education, hospitals, and other types of grantees which are not State or local governments. This is reflected in §§ 74.1(b) and 74.4(a)(2) of Part 74.

Within certain attachments to Circular A-102 there are a few provisions which are suitable only for State and local governments (including school districts). The corresponding provisions in Subparts B through P of Part 74 expressly limit their applicability to only such grantees. Therefore a DHEW granting agency can make the appropriate provisions within a given subpart of Part 74 applicable to its nongovernmental grantees simply by making the entire subpart applicable; the inappropriate provisions are self-deleting for nongovernmental grantees and would not apply in such cases. This is reflected in § 74.4(a)(2)(ii).

Most of DHEW's decisions about applying Part 74 to nongovernmental grantees have been made, and are reflected in program regulation amendments published in separate documents in this issue of the FEDERAL REGISTER. Those amendments are discussed below.

Deferred applicability to Office of Education and National Institute of Education programs. Part 74 is effective on September 19, 1973, except for those programs administered by the Office of Education and the National Institute of Education. For such grant programs, Part 74 will become effective upon adoption or implementation by respectively the Commissioner of Education and the Director of the National Institute of Education in regulations issued by them with the approval of the Secretary of Health, Education, and Welfare. Both agencies have published proposals (Office of Education at 38 FR 10386, April 26, 1973, and National Institute of Education at 38 FR 1020, January 8, 1973) for agency-wide general provisions

regulations to cover all their grant programs. When republished in final form, those general provisions will be consistent with this Part 74, and will constitute the adoption or implementation of Part 74 by the Commissioner and the Director.

Program regulation amendments. In connection with the issuance of this Part 74, a number of amendments to DHEW grant program regulations are published in separate documents in this issue of the FEDERAL REGISTER. The CFR chapters involved are as follows:

Title 42, Chapter I, Public Health Service.
Title 42, Chapter II, Children's Bureau.
Title 45, Chapter II, Social and Rehabilitation Service (Assistance Programs).
Title 45, Chapter IV, SRS (Rehabilitation Programs).
Title 45, Chapter IX, Administration on Aging.

The primary purpose of those amendments is to relate those program regulations to this new Part 74. They accomplish this purpose in three ways:

(1) They revoke, or modify as necessary, provisions inconsistent with this Part 74;

(2) They insert crossreferences to this Part 74 where appropriate, in order to alert the reader of those regulations to the applicability of this regulation to grants to State and local governments; and

(3) Where determined to be appropriate, they provide exceptions to specified subparts of this Part 74. They also make specified subparts of Part 74 applicable to grants to other types of grantees.

Omission of notice of proposed rule making. Notice of proposed rule making and delay in effective date have been omitted in the issuance of these amendments which relate solely to administrative requirements and cost principles for DHEW grants.

Opportunity to comment. Written comments concerning these amendments are invited from interested persons. Comments may be addressed to the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201. All comments received in response to this invitation will be available for public inspection at room 4829, 400 Sixth Street SW., Washington, D.C., between the hours of 9:00 a.m. and 5:30 p.m. weekdays, Federal holidays excepted.

Interested persons are reminded that, as explained above, much of the following Part 74 is derived from OMB Circulars A–102, A–87, and A–21, from which DHEW cannot unilaterally deviate. Consequently, the Department's discretion to act on any comments which take issue with provisions mandated by OMB circulars may be limited to referral of such comments to those Federal officials who are in a position to change the circulars.

Comments on other aspects of Part 74 (such as its applicability to school districts, institutions of higher education, hospitals, and other recipients not mandatorily covered by Circular A–102, the DHEW cost principles in Appendices E and F, etc.) will be considered independently by the Department.

Effective date.—This part shall become effective on September 19, 1973: *Provided, however,* That with respect to programs administered by the Office of Education and the National Institute of Education, this part shall become effective upon adoption or implementation in regulations issued by, respectively, the Commissioner of Education and the Director of the National Institute of Education, with the approval of the Secretary of Health, Education, and Welfare.

Dated September 7, 1973.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Subtitle A of Title 45 of the Code of Federal Regulations is amended by adding a new Part 74, as follows:

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74.2 Scope of subpart.
74.3 Definitions.
74.4 Applicability of this part.
74.5 Appeals.
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Subpart B—Cash Depositories

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Subpart I—Financial Reporting Requirements

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74.72 Authorized form and instructions.
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74.74 Report of Federal Cash Transactions.
74.75 Request for Advance or Reimbursement.
74.76 Outlay Report and Request for Reimbursement for Construction Programs.
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Subpart J—Monitoring and Reporting of Program Performance

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Subpart M—Grant Closeout, Suspension, and Termination

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74.123 Notice of Preapplication Review Action.
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Subpart O—Property

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74.133 Real property.
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Subpart Q—Cost Principles

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Appendix C—Priciples for determining costs applicable to grants and contracts with State and local governments.
Appendix D—Part I—Principles for determining costs applicable to research and development under grants and contracts with educational institutions.
Part II—Principles for determining costs applicable to training and other educational services under grants and contracts with educational institutions.
Appendix E—Principles for determining costs applicable to research and development under grants and contracts with hospitals.
Appendix F—Principles for determining costs applicable to grants and contracts with nonprofit institutions.

AUTHORITY: 5 U.S.C. 301. Subparts B through P inclusive also issued under Office of Management and Budget Circular No. A-102. Apendix C also issued under Office of Management and Budget Circular No. A-87. Appendix D also issued under Office of Management and Budget Circular No. A-21.

Subpart A—General

§ 74.1 Purpose and scope of this part.

(a) This part establishes:

(1) Uniform requirements for the administration of HEW grants to State or local governments, and

(2) Principles for determining costs applicable to activities assisted by HEW grants awarded to:

(i) State or local governments

(ii) Institutions of higher education

(iii) Hospitals, and

(iv) Other nonprofit organizations.

(b) Subparts B through P, inclusive, of this part are designed so that they may also be applied to grants to grantees other than State and local governments, where the granting agency concerned as a matter of policy (see § 74.4(a)(2)) finds such application to be appropriate.

§ 74.2 Scope of subpart.

This subpart sets forth (a) general rules and regulations pertaining to this Part 74 (definitions, purpose and scope, applicability, and appeals) and (b) procedures for control of deviations from the part.

§ 74.3 Definitions.

As used in this part, the words and terms defined in this section shall have the meanings set forth below, unless a different definition is prescribed for a particular portion of this part.

"Grant" means money, or property provided in lieu of money, paid or furnished by the Federal Government to an eligible recipient under programs that provide financial assistance. The term includes such financial assistance when provided by contract, but does not include any Federal procurements subject to the procurement regulations in 41 CFR, nor does it include technical assistance or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations.

"Grantee" means the organization or person to which a grant is made and which is accountable to the Federal Government for the use of the funds provided. The term does not include any secondary recipients such as subgrantees, contractors, etc., who may receive funds from a grantee pursuant to a grant.

"Granting agency" means the operating agency of HEW (or the organizational component within the Office of the Secretary of Health, Education, and Welfare) authorized to award and administer grants, including (1) the Office of Education, (2) the Health Services and Mental Health Administration, (3) the Social and Rehabilitation Service, (4) the National Institutes of Health, (5) the Food and Drug Administration, or (6) the National Institute of Education.

"HEW" means the U.S. Department of Health, Education, and Welfare, including its granting agencies.

The term "local government" means a local unit of government including specifically a county, municipality, city, town, township, school district, local public authority, special district, intrastate district, council of governments, sponsor group representative organization, and other regional or interstate government entity, or any agency or instrumentality of a local government exclusive of institutions of higher education and hospitals.

"OGPM" means the Office of Grants and Procurement Management, which is an organizational component within the Office of the Secretary of Health, Education, and Welfare.

"OMB" means the Office of Management and Budget within the Executive Office of the President.

"State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of State institutions of higher education and hospitals.

"Subgrant" means money, or property provided in lieu of money, paid or furnished by a grantee to an eligible recipient as financial assistance pursuant to a grant. The term includes such financial assistance when provided by contract, but does not include procurements, nor does it include any form of assistance which is excluded from the definition of "grant" in this section.

"Subgrantee" means the organization or person to which a subgrant is made and which is accountable to the grantee for the use of the funds provided.

"Terms and conditions" of a grant means all legal requirements imposed on a grant by the Federal Government whether under statute, regulations, the grant award document itself, or otherwise.

§ 74.4 Applicability of this part.

(a) *Subparts B through P, inclusive—*(1) *Applicability to State or local governments.* Except to the extent inconsistent with an applicable Federal statute or regulation, Subparts B through P, inclusive of this part, are applicable to all HEW grants to State or local governments. Note, however, that Subpart N "Forms for Applying for Grants" has a more limited applicability, as stated therein.

(2) *Applicability to other types of grantees.* (i) Subparts B through P, inclusive of this part, are applicable to HEW grants to grantees other than State and local governments only to the extent made applicable by other duly published HEW policy statements (usually, but not necessarily, in the program regulations of the granting agency).

(ii) Where any given subpart of this part has been so made applicable in its entirety, any particular provision in that subpart which by its terms is expressly limited to State or local governments shall not be deemed to have been made applicable to other grantees. See, for example, §§ 74.44(b) and (c)(1)(ii), 74.46, 74.61(h), 74.102(b) (3) and (4), 74.140, 74.154(e), 74.155, 74.157, and 74.159(b)(1) and (2).

(b) *Subpart Q.* The applicability of Subpart Q of this part is set forth therein.

§ 74.5 Appeals.

Attention is called to the fact that in accordance with Part 16 of this title, grantees may formally appeal certain postaward administrative decisions made by HEW officials.

§ 74.6 Deviations.

(a) A deviation shall be considered to be either of the following, except when specifically mandated by Federal legislation:

(1) Use of any policy, procedure, form, standard, or grant condition which is inconsistent with an applicable provision of this part, or

(23) Failure to use when applicable any policy, procedure, form, standard, or grant condition which is required by this part.

(b) In the interest of maintaining uniformity to the greatest extent feasible, deviations shall be kept to a minimum. A deviation, whether proposed by an applicant for a grant, a grantee, or an official of the granting agency, may be authorized only when necessary to meet programmatic objectives, or to conserve grant funds, or is otherwise essential in the public interest.

(c) Deviations from subparts B through P, inclusive, of this part may be made on an HEW grant to a State or a local government, or a class of such grants, only when authorized by both:

(1) The head of the granting agency, or other officials if designated in or pursuant to formal deviation control procedures established by the agency, and

(2) OGPM.

(d) Where a provision in subparts B through P, inclusive, of this part has been made applicable (in accordance with § 74.4(a)(2)) to a class of HEW grants to organizations other than State or local governments, deviations from that provision on such grants may be made only when authorized by the head of the granting agency or by other officials if designated in or pursuant to formal deviation control procedures established by the agency.

(e) Deviations from Subpart Q of this part and Appendices C, D, E, and F to this part may be made only as follows:

(1) In individual cases (i.e., where only a single grant is involved) deviations may be authorized by the head of the granting agency or by other officials if designated in or pursuant to formal deviation control procedures established by the agency.

(2) Deviations in classes of cases may be made only when authorized as provided in paragraph (c) of this section.

Subpart B—Cash Depositories

§ 74.10 Physical segregation and eligibility.

Except as provided in § 74.11, HEW will not:

(a) Require physical segregation of cash depositories for HEW grant funds which are provided to a grantee;

(b) Establish any eligibility requirements for cash depositories in which HEW grant funds are deposited by grantees or their subgrantees.

§ 74.11 Checks-paid basis letter of credit.

A separate bank account shall be used when payments under letter of credit are made on a "check-paid" basis in accordance with agreements entered into by a grantee, the Federal Government, and the banking institutions involved. A checks-paid basis letter of credit is one under which funds are not drawn from the Treasury until the grantee's checks have been presented to its bank for payment.

§ 74.12 Minority-owned banks.

Consistent with the national goal of expanding opportunities for minority business enterprises, grantees are encouraged to use minority-owned banks.

Subpart C—Bonding and Insurance

§ 74.15 General.

In administering HEW grants, grantees shall observe their regular requirements and practices with respect to bonding and insurance. HEW will not impose additional bonding and insurance requirements, including fidelity bonds, except as provided in §§ 74.16 and 74.17.

§ 74.16 Construction and facility improvement.

The recipient of an HEW grant which requires contracting for construction or facility improvement (including any HEW grant which provides for alterations or renovations of real property) shall follow its own requirements and practices relating to bid guarantees, performance bonds, and payment bonds except for contracts exceeding $100,000. For contracts exceeding $100,000, the minimum requirements shall be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The bid guarantee shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under the contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A payment bond is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§ 74.17 Loan guarantees.

Where in connection with an HEW grant, HEW also guarantees the payment of money borrowed by the grantee, the granting agency may at its discretion, require adequate bonding and insurance if the bonding and insurance requirements of the grantee are not deemed to be sufficient to protect adequately the interests of the Federal Government.

Subpart D—Retention and Custodial Requirements for Records

§ 74.20 Length of retention period.

HEW will not impose record retention requirements over and above those established by the grantee except that financial records, supporting documents, statistical records, and all other records pertinent to an HEW grant, or to any subgrant (or negotiated contract exceeding $2,500) thereunder, shall be retained for a period of three years, with the following qualifications:

(a) If audit by or on behalf of the Federal Government has begun but is not completed at the end of the three-year period, or if audit findings have not been resolved at the end of the three-year period, the records shall be retained until resolution of the audit findings. In no case, however, will HEW require retention of records relating to any grant with respect to which actions by the United States to recover for diversion of money paid under the grant are barred by the statute of limitations in 28 U.S.C. 2415(b).

(b) In order to avoid duplicate record-keeping, granting agencies may make special arrangements with grantees to retain any records which are continuously needed for joint use. The granting agency will request transfer of records to its custody from grantees when it determines that the records possess long-term retention value. When the records are transferred to or maintained by HEW, the three year retention requirement is not applicable to the grantee.

§ 74.21 Starting date of retention period.

(a) *General.* Except for records covered by paragraphs (b) and (c) of this section, where HEW grants support is continued or renewed on an annual or essentially annual basis, the retention period for each year's records starts from the date of submission to HEW of the grantee's annual expenditure report for that year; in all other cases the retention period starts from the date of submission to HEW of the grantee's final expenditure report. The term "expenditure report" means:

(1) For nonconstruction grants, the "Financial Status Report" (or other report equivalent thereto).

(2) For construction grants, the "Outlay Report and Request for Reimbursement for Construction Programs" (or other report equivalent thereto).

(b) *Records for nonexpendable property.* For nonexpendable personal property whose acquisition cost was borne in whole or in part by an HEW grant, the property records required by § 74.136(a) shall be retained for three years after final disposition of the property. For purposes of this paragraph, payment by the grantee to the United States for the Federal share of the fair market value of such property, in accordance with Subpart O of this part, shall be deemed a final disposition of such property.

(c) *Records for indirect cost rate proposals, etc.*—(1) *Applicability.* This paragraph applies to records supporting (i) indirect cost rate proposals, (ii) cost allocation plans of State and local governments pursuant to Appendix C to this part, (iii) hospital patient care rate proposals, and (iv) any similar accounting computations of the rate at which a particular group of costs is chargeable to HEW grants. Examples of the latter are computer usage chargeback rate computations and composite fringe benefit rate computations.

(2) *If submitted to the Federal Government.* If the proposal, plan, or other computation is required to be submitted to the Federal Government to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.

(3) *If not submitted to the Federal Government.* If the proposal, plan, or other computation is not required to be submitted to the Federal Government for negotiation purposes, then the three-year retention period for its supporting records starts from the end of the

grantee's fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

§ 74.22 Substitution of microfilm.

Grantees may be authorized by the granting agency to substitute microfilm or other adequate copies in lieu of original records.

§ 74.23 Access to records.

(a) HEW and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee which any of them determine are pertinent to a specific HEW grant, for the purpose of making audit; examination, excerpts and transcripts.

(b) In the case of a subgrant (or negotiated contract exceeding $2,500) under an HEW grant, the grantee, HEW, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the subgrantee (or the contractor) which the grantee, HEW, the Comptroller General of the United States, or any of their duly authorized representatives determine are pertinent to the specific HEW grant, for the purpose of making audit, examination, excerpts, and transcripts.

§ 74.24 Restrictions on public access.

Unless otherwise required by law, HEW will not place restrictions on grantees which will limit public access to the grantee's records or to the records of their subgrantees or contractors, except when the records must remain confidential for any of the following reasons:

(a) To prevent a clearly unwarranted invasion of personal privacy;

(b) To comply with an Executive Order or statute which specifically requires the records to be kept secret;

(c) To protect commercial or financial information obtained from a person or a firm on a privileged or confidential basis; or

(d) To protect information which can be improperly exploited for personal gains.

Subpart E—Waiver of Single State Agency Requirements [Reserved]

Subpart F—Grant-Related Income

§ 74.40 Scope of subpart.

This subpart sets forth standards for grantees in accounting for program income and other income related to projects and programs financed in whole or in part by HEW grants.

§ 74.41 Meaning of program income.

As used in this subpart, the term "program income" shall have the meaning set forth for that term in § 74.71.

§ 74.42 Interest income.

(a) As used in paragraph (b) of this section:

(1) The term "State" shall have the meaning set forth in § 102 of the Intergovernmental Cooperation Act of 1968.

(2) The term "grant-in-aid" shall have the meaning set forth for that term in section 106 of the Intergovernmental Cooperation Act of 1968.

(b) In accordance with section 203 of the Intergovernmental Cooperation Act of 1968, States shall not be held accountable for interest earned on grant-in-aid funds, pending their disbursement for program purposes.

(c) In all other cases, grantees shall remit to the Federal Government any interest earned on advances of grant funds.

§ 74.43 Sale of real and personal property.

Proceeds from the sale of real and tangible personal property whose acquisition cost was borne in whole or in part by an HEW grant shall be handled in accordance with Subpart O of this part.

§ 74.44 Royalties.

(a) *Applicability*—(1) Copyrights. This section applies to royalties received by grantees from copyrights on publications or other works developed under HEW grants.

(2) *Patents.* This section also applies to royalties received by grantees from patents on inventions conceived or first actually reduced to practice in the course of or under any HEW grant.

(b) *During the grant period.* (1) If the grantee is a State or local government, royalties received during the grant period shall be retained by the grantee. The terms and conditions of the grant shall provide either:

(i) That such royalties shall be used by the grantee for any purposes which further the objectives of the legislation under which the grant was made, or

(ii) That such royalties shall be deducted from total project costs for the purpose of determining the net costs on which the Federal share of costs shall be based.

(2) When the grantee is a State or local government, the grantee shall elect either of the alternatives specified in subparagraph (1) of this paragraph if the terms and conditions of the grant do not specify which is to be followed.

(3) If the grantee is not a State or local government, disposition of royalties received during the grant period shall be governed by agreements as provided in paragraphs (c)(1)(i) and (c)(2) of this section.

(c) *After the grant period*—(1) *Copyrights.* (i) Disposition of copyright royalties received after the termination or completion of the grant period should ordinarily be governed by specific agreements between the granting agency and the grantee. Such agreements may be negotiated on a case-by-case basis, or may be in the form of a standard rule or policy of the granting agency, agreed to by the grantee as one of the conditions of the grant.

(ii) If the grantee is a State or local government and no other agreement between the granting agency and the grantee is applicable, the Federal share of copyright royalties in excess of $200 received annually shall be paid by the grantee to the granting agency. In such cases, the Federal share of the royalties shall be computed on the same ration basis as the percentage of Federal participation in the cost of the project or program. This percentage of participation shall be determined in accordance with § 74.141.

(2) *Patents.* Disposition of patent royalties received after the termination or completion of the grant period shall be governed by agreements between the Assistant Secretary for Health, Department of Health, Education, and Welfare, and the grantee, pursuant to the Department's patent regulations (Parts 6 and 8 of this title).

§ 74.45 Other program income.

(a) This section applies to all program income earned during the grant period except royalties and proceeds from the sale of real property or tangible personal property.

(b) All such income earned during the grant period shall be retained by the grantee. The terms and conditions of the grant shall provide either:

(1) That such income shall be used by the grantee for any purposes which further the objectives of the legislation under which the grant was made, or

(2) That such income shall be deducted from total project costs for the purpose of determining the net costs on which the Federal share of costs shall be based.

(c) The grantee shall elect either of the alternatives specified in paragraph (b) of this section if the terms and conditions of the grant do not specify which is to be followed.

§ 74.46 Earmarked revenues of State or local governments.

State or local government grantees shall record the receipt and expenditure of revenues such as taxes, special assessments, levies, fines, etc., as a part of grant project transactions when such revenues are specifically earmarked for a grant project in accordance with the terms and conditions of a grant.

Subpart G—Matching and Cost Sharing

§ 74.50 Purpose and scope.

This subpart sets forth criteria and procedures for the allowability and evaluation of cash and in-kind contributions in satisfying matching or cost sharing requirements of HEW grants.

§ 74.51 Definitions.

"Cash contributions" means the grantee's cash outlay, including the outlay of money contributed to the grantee by third parties. Unless authorized by Federal legislation, outlays charged to other Federal grants or to Federal contracts may not be considered as grantee's cash contributions.

"In-kind contributions" represent the value of noncash contributions provided by the grantee or third parties. In-kind contributions may consist of charges for real property and nonexpendable personal property, and the value of goods and services directly benefiting and

specifically identifiable to the grant-supported activity. Unless otherwise authorized by Federal legislation, charges for property purchased wholly with Federal funds, and charges based on the Federal share of the value of property purchased partly with Federal funds, may not be considered as the grantee's in-kind contributions.

"Matching or cost sharing" represents, in general, that portion of project costs not borne by the Federal Government.

"Project costs" means the sum of (a) the allowable costs incurred by the grantee and (b) the allowable in-kind contributions made by third parties.

§ 74.52 Allowability.

(a) Matching or cost sharing may consist of:

(1) Charges incurred by the grantee as project costs. Not all charges require cash outlays during the grant period by the grantee; examples are depreciation and use allowances for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the grantee by third parties.

(3) Project costs represented by in-kind contributions made by non-Federal third parties. Where in-kind contributions are made by the Federal Government, they may be included in the grantee's matching or cost sharing only if Federal legislation authorizes such inclusion.

(b) All contributions whether cash or in-kind (including in-kind contributions from third parties) shall be accepted as part of the grantee's matching or cost sharing when such contributions:

(1) Are identifiable from the grantee's records, and

(2) Are not included as contributions for any other federally assisted program, or any Federal contract, and

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives, and

(4) If made by the grantee, are types of costs which are allowable under the applicable cost principles specified in Subpart Q of this part, and

(5) Are not borne by the Federal Government directly or indirectly under any Federal grant or contract (unless the other grant or contract may, under authority of law, be used for matching or cost sharing), and

(6) Conform to other applicable provisions of this subpart.

§ 74.53 Valuation of in-kind contributions from third parties.

(a) *Valuation of volunteer services.*— (1) *General.* Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteered service may be counted as matching or cost sharing if it is an integral and necessary part of an approved program.

(2) *Rates for volunteer services.* Rates for volunteers should be consistent with those regular rates paid for similar work in other activities of the grantee. In cases where the kinds of skills required for the federally assisted activities are not found in the other activities of the grantee, rates used should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

(3) *Volunteers employed by other organizations.* When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead cost) provided these services are in the same skill for which the employee is normally paid.

(b) *Valuation of donated real or tangible personal property, or use thereof.*— (1) *Donation of title.* If the donor transfers title to the property, the amount to be allowed as matching or cost sharing shall be determined as if the grantee had purchased the property and had paid the fair market value of the property at the time of transfer.

(2) *Donation of use.* If only use of the property is donated, and the donor retains title, the amount to be allowed as matching or cost sharing shall be determined as if the grantee had rented the property and had paid the property's fair rental value.

(3) *Appraisal.* The granting agency may require that the value of real property be established by an independent appraiser (i.e., a private realty firm or a General Services Administration representative) and certified by the responsible official of the grantee as a precondition to allowability for matching or cost sharing purposes.

(c) *Valuation of other in-kind contributions by third parties.* Other necessary in-kind contributions made by third parties specifically for and in direct benefit to the grant program may be accepted as matching or cost sharing provided that they are adquately supported and permissible under the law. Such charges must be reasonable and properly justifiable.

§ 74.54 Supporting records for in-kind contributions from third parties.

The following requirements pertain to the grantee's supporting records for in-kind contributions from third parties:

(a) The extent of volunteer services must be supported by the same methods used by the grantee for its employees.

(b) The basis for determining the charges for personal services, material, equipment, buildings, and land must be documented.

Subpart H—Standards for Grantee and Subgrantee Financial Management Systems

§ 74.60 Scope of subpart.

This subpart prescribes standards for financial management systems of grant-supported activities conducted by grantees and their subgrantees. Neither the Department nor its granting agencies will impose additional standards unless specifically provided for elsewhere in this part. However, suggestions and assistance may be provided in establishing or improving financial management systems when needed or requested.

§ 74.61 Standards.

Grantee financial management systems for grants and subgrantee financial management systems for subgrants shall provide for:

(a) Accurate, current, and complete disclosure of the financial results of each grant in accordance with Federal reporting requirements and for each subgrant in accordance with the grantee's requirements. Except when specifically required by law, HEW will not require financial reporting on the accrual basis from organizations whose records are not maintained on that basis. However, when accrual reporting is required by law, organizations whose records are not maintained on that basis will not be required to convert their accounting systems to the accrual basis; they may develop the accrual information through an analysis of the documentation on hand or on the basis of best estimates.

(b) Records which identify adequately the source and application of funds for grant- or subgrant-supported activities. These records shall contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(c) Effective control over and accountability for all grant or subgrant funds, and real and personal property acquired with grant or subgrant funds. Grantees and subgrantees shall adequately safeguard all such property and shall assure that it is used solely for authorized purposes.

(d) Comparison of actual with budgeted amounts for each grant or subgrant, and, when specifically required by the performance reporting requirements of the grant or subgrant, relation of financial information with performance or productivity data, including the production of unit cost information.

(e) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the grantee, whenever cash is advanced by the Federal Government. When advances are made by a letter-of-credit method, the grantee shall make drawdowns from the U.S. Treasury through his commercial bank as close as possible to the time of making the disbursements. Subgrantees shall institute analogous procedures when funds are advanced by the grantee.

(f) Procedures for determining the allowability and allocability of costs in accordance with the applicable cost principles prescribed by Subpart Q of this part.

(g) Accounting records which are supported by source documentation.

(h) (1) If the grantee or subgrantee is a State or local government, audits to be made by the State or local government or at its direction to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with the terms and conditions of the grant or subgrant. The grantee or subgrantee will

schedule such audits with reasonable frequency, usually annually, but not less frequently than once every two years, considering the nature, size, and complexity of the activity.

(2) Recipients other than State or local governments are encouraged but not required to meet the standard set forth in subparagraph (1) of this paragraph.

(i) A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

§ 74.62 Subgrantees.

The standards in § 74.61, as they apply to subgrantees, shall be included in the terms and conditions of subgrants awarded under HEW grants.

Subpart I—Financial Reporting Requirements

§ 74.70 Scope of subpart.

This subpart prescribes requirements for grantees to report financial information to granting agencies and to request advances and reimbursement when a letter-of-credit method is not used, and promulgates standard forms incident thereto.

§ 74.71 Definitions.

As used in this subpart and in the forms identified by this subpart:

"Accrued expenditures" are the charges incurred by the grantee during a given period requiring the provision of funds for: (a) Goods and other tangible property received; (b) services performed by employees, contractors, subgrantees, and other payees; and (c) amounts becoming owed under programs for which no current services or performance are required.

"Accrued income" is the earnings during a given period which is a source of funds resulting from (a) services performed by the grantee, (b) goods and other tangible property delivered to purchasers, and (c) amounts becoming owed to the grantee for which no current services or performance are required by the grantee.

"Disbursements" are payments in cash or by check.

"Federal funds authorized" represents the total amount of the Federal funds authorized for obligations and establishes the ceiling for obligation of Federal funds. This amount may include any authorized carryover of unobligated funds from prior fiscal years.

"In-kind contributions" represent the value of noncash contributions provided by the grantee or third parties. In-kind contributions may consist of charges for real property and nonexpendable personal property, and value of goods and services directly benefiting and specifically identifiable to the grant-supported activity. Unless otherwise authorized by Federal legislation, charges for property purchased wholly with Federal funds, and charges based on the Federal share of the value of property purchased partly with Federal funds, may not be considered as the grantee's in-kind contributions.

"Obligations" are the amounts of orders placed, contracts and grants awarded, services received, and similar transactions during a given period, which will require payment during the same or a future period.

"Outlays" represent charges made to the grant project or program. Outlays may be reported on a cash or accrued expenditure basis. See §§ 74.61(a) and 74.73(b).

"Program income" represents earnings by the grantee realized from the grant-supported activities as a result of the grant. Such earnings exclude interest income and may include, but will not be limited to, income from service fees, sale of commodities, usage or rental fees, sale of assets purchased with grant funds, and royalties on patents and copyrights. Program income may be reported on a cash or accrued income basis. See §§ 74.61(a) and 74.73(b).

"Unobligated balance" is the portion of the funds authorized by the granting agency which has not been obligated by the grantee and is determined by deducting the cumulative obligations from the funds authorized.

"Unpaid obligations" represent the amount of obligations incurred by the grantee which have not been paid.

§ 74.72 Authorized forms and instructions.

(a) Only those forms specified in §§ 74.73 through 74.76, inclusive, and such supplementary or other forms as may from time to time be authorized by OGPM and OMB, may be used:

(1) For obtaining financial information from grantees for grant programs, or

(2) For requesting advances or reimbursements when letters of credit are not used.

(b) All applicable standard instructions promulgated by OMB for use in connection with the forms specified in §§ 74.73 through 74.76, inclusive, shall be followed. Granting agencies may promulgate substantive supplementary instructions only with the approval of OGPM and OMB.

(c) Grantees shall submit the original and two copies of forms required pursuant to this subpart. However, granting agencies may waive the requirement for the second copy, or both copies, when not needed.

(d) The forms (with their instructions) specified in §§ 74.73 through 74.76, inclusive, shall be available to the public upon request to any granting agency.

§ 74.73 Financial Status Report.

(a) *Form.* Grantees shall use the standard Financial Status Report prescribed by Attachment H of OMB Circular No. A–102 to report the status of funds for all nonconstruction grant programs. Granting agencies, however, have the option of not requiring the Financial Status Report when the Request for Advance or Reimbursement (see § 74.75) is determined to provide adequate information to meet their needs, except that a final Financial Status Report shall be required at the completion of the grant when the Request for Advance or Reimbursement form is used only for advances.

(b) *Accounting basis.* Each grantee shall report outlays and program income on the same accounting basis, i.e., cash or accrued expenditure (accrual), which it used in maintaining its accounting records. The basis used by a grantee must be consistent for all grants. See § 74.61(a).

(c) *Frequency.* For research project grants, reports shall be submitted annually, and a final report shall be submitted upon completion or termination of grant support. For all other types of grants, the granting agency shall prescribe the frequency of the report, considering the size and complexity of the particular program. However, the report shall not be required more frequently than quarterly or less frequently than annually, and a final report shall be required upon completion or termination of grant support.

(d) *Due date.* When reports are required on a quarterly or semi-annual basis, they shall be due thirty days after the end of the specified reporting period. When required on an annual basis, they shall be due ninety days after the end of the grant year. Final reports shall be due ninety days after the completion or termination of grant support. Justified requests from individual grantees for extension of reporting due dates will be approved whenever feasible.

§ 74.74 Report of Federal cash transactions.

(a) *Form.* When funds are advanced to grantees through letters of credit or with Treasury checks, each grantee shall submit the Report of Federal Cash Transactions prescribed by Attachment H of OMB Circular No. A–102. This report will be used by HEW financial officers to monitor cash advanced to grantees and to obtain disbursement or outlay information for each grant or project from the grantees. The format of the report may be adapted as appropriate when reporting is to be accomplished with the assistance of automatic data processing equipment, provided that the information to be submitted is not changed.

(b) *Forecasts of Federal cash requirements.* Forecasts of Federal cash requirements may be required in the "Remarks" section of the report.

(c) *Cash in hands of secondary recipients.* When deemed necessary and feasible by the responsible HEW finance officer, grantees may be required to report in the "Remarks" section of the report the amount of cash advances in excess of three days' requirements in the hand of subgrantees or other secondary recipients, and to provide short narrative explanations of actions taken by the grantees to reduce the excess balances.

(d) *Frequency and due date.* Grantees shall submit the Report of Federal Cash Transactions no later than fifteen working days following the end of each quarter. However, where a letter of credit authorizes advances at an annualized rate of one million dollars or more, the responsible HEW financial officer may require the reports to be submitted within fifteen working days following the end of each month.

(e) *Waiver.* HEW finance officers may waive the requirement for submission of the Report of Federal Cash Transactions when a grantee's monthly advances do not exceed $10,000: *Provided,* That such advances are monitored through other forms authorized pursuant to this subpart, or the grantee's accounting controls are adequate to minimize excessive Federal advances.

§ 74.75 Request for Advance or Reimbursement.

(a) Grantees shall submit their requests for advance payments or reimbursements under nonconstruction grants and their requests for advance payments under construction grants, on the Request for Advance or Reimbursement form prescribed by Attachment H of OMB Circular No. A–102 when letters of credit or predetermined automatic Treasury check advance methods are not used. Additionally, granting agencies may prescribe this form for construction grants in lieu of the Outlay Report and Request for Reimbursement for Construction Programs as specified in § 74.76(d).

(b) Grantees will be authorized to submit no less often than monthly their requests for advances or reimbursement when letters of credit or predetermined automatic Treasury check advance methods are not used.

§ 74.76 Outlay Report and Request for Reimbursement for Construction Programs.

(a) *Construction grants paid by reimbursement method.* (1) Requests for reimbursement under construction grants shall be submitted on the Outlay Report and Request for Reimbursement for Construction Programs form prescribed by Attachment H of OMB Circular No. A–102. Granting agencies may, however, substitute the Request for Advance or Reimbursement form specified in § 74.75 in lieu of this form when they determine that the former provides adequate information to meet their needs.

(2) Grantees will be authorized to submit no less often than monthly their requests for reimbursement under construction grants.

(b) *Construction grants paid by letter of credit or Treasury check advances.* (1) When a construction grant is paid by letter of credit or Treasury check advances, the grantee shall report its outlays to the granting agency using the Outlay Report and Request for Reimbursement for Construction Programs form prescribed by Attachment H of OMB Circular No. A–102. In these cases, the grantee should leave blank those items on the form which are applicable only when requesting reimbursement, i.e., items 3, 5, 10, 11t, 11u, and 11v.

(2) In lieu of the certification and signatures in items 12, 12a, and 12b, the following certification, signed on behalf of the grantee by an authorized official of the grantee organization, shall be submitted to the granting agency with the outlay report:

I certify that to the best of my knowledge and belief the accompanying report is correct and complete and that all outlays reported therein are for the purposes set forth in the grant award documents.

Information as to percentage of project completion and certification thereof by the Government representative shall be submitted independently of the outlay report, at such times and by such means as may be prescribed by the granting agency.

(3) Frequency and due date of the Outlay Report and Request for Reimbursement for Construction Programs shall be governed by § 74.73(c) and (d).

(c) *Accounting basis.* The accounting basis for the Outlay Report and Request for Reimbursement for Construction Programs shall be governed by § 74.73(b).

(d) *Alternative forms.* For construction grants paid by the reimbursement method, or by Treasury check advances based on periodic requests from the grantee, granting agencies may substitute the Request for Advance or Reimbursement specified in § 74.75 in lieu of the Outlay Report and Request for Reimbursement for Construction Programs. When any other payment method is used granting agencies may substitute the Financial Status Report specified in § 74.73.

§ 74.77 Requests for supplementary Treasury checks.

When the drawing authority for a specified period under a letter of credit is insufficient, the grantee may request a supplementary Treasury check payment by letter.

Subpart J—Monitoring and Reporting of Program Performance

§ 74.80 Scope of subpart.

This subpart sets forth the procedures for monitoring and reporting program performance under HEW grants. These procedures are designed to place greater reliance on grantees to manage the day-to-day operations of their grant-supported activities.

§ 74.81 Monitoring by grantees.

Grantees shall constantly monitor the performance under grant-supported activities to assure that adequate progress is being made towards achieving the goals of the grant. This review shall be made for each program, function, or activity of each grant as set forth in the approved grant application or State plan.

§ 74.82 Performance reports for nonconstruction grants.

(a) Where the granting agency determines that performance information sufficient to meet its programmatic needs will be available from continuation or renewal applications, the granting agency will require the grantee to submit a performance report only with the final Financial Status Report (or other financial report equivalent thereto). Note that the "Application for Federal Assistance (Nonconstruction Programs)" prescribed by Subpart N of this part, when used to request a continuation or renewal, provides information substantially equivalent to a performance report.

(b) Except as provided in paragraph (a) of this section, or as otherwise authorized by OGPM, granting agencies shall require grantees to submit a performance report with each Financial Status Report (or other financial report equivalent thereto) in the frequency established by Subpart I of this part. The granting agency shall prescribe the frequency with which performance reports will be submitted with the Request for Advance or Reimbursement when that form is used in lieu of the Financial Status Report; in such cases performance reports may be required not more frequently than quarterly, or less frequently than annually.

(c) Performance reports shall include, to the extent appropriate to the particular grant, a brief presentation of the following for each program, function, or activity involved:

(1) A comparison of actual accomplishments to the goals established for the period. Where the output of grant programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons for slippage in those cases where established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

§ 74.83 Performance reports for construction grants.

In general, granting agencies rely heavily on on-site technical inspection and certified percentage-of-completion data to keep themselves informed as to progress under construction grants. Therefore formal performance reports from grantees to supplement those sources of information shall be required only if deemed necessary by the granting agency, and in no case more frequently than quarterly.

§ 74.84 Significant developments between scheduled reporting dates.

Between the scheduled performance reporting dates, events may occur which have significant impact upon the grant-supported activity. In such cases, the grantee shall inform the granting agency as soon as the following types of conditions become known:

(a) Problems, delays, or adverse conditions which will materially impair the ability to attain the objectives of the grant. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any Federal assistance needed to resolve the situation.

(b) Favorable developments or events which enable meeting time schedules and goals sooner or at less cost than anticipated or producing more beneficial results than originally projected.

§ 74.85 Budget revision.

If any performance review conducted by the grantee discloses the need for change in the budget estimates in accordance with the criteria established in

Subpart L of this part, the grantee shall submit a request for budget revision.

§ 74.86 Site visits.

Site visits will be made by representatives of the Department or the granting agency as frequently as practicable to:

(a) Review program accomplishments and management control systems.

(b) Provide such technical assistance as may be required.

Subpart K—Grant Payment Requirements

§ 74.90 Scope of subpart.

This subpart sets forth HEW's methods of making grant payments to grantees. These methods will minimize the time elapsing between the disbursement by a grantee and the transfer of funds from the United States Treasury to the grantee, whether such disbursement occurs prior to or subsequent to the transfer of funds.

§ 74.91 Definitions.

As used in this subpart:

"Advance by Treasury check" is a payment made by a Treasury check to a grantee upon its request or through the use of predetermined payment schedules before payments are made by the grantee.

"Letter of credit" is an instrument certified by an authorized official of a grantor agency which authorizes a grantee to draw funds when needed from the Treasury, through a Federal Reserve Bank and the grantee's commercial bank, in accordance with the provisions of Treasury Circular No. 1075.

"Percentage of completion method" refers to a system under which payments are made to the recipient of a construction grant according to a schedule which relates the amount and timing of each payment primarily or solely to the actual percentage of completion of the construction work under the grant rather than to the grantee's actual rate of disbursements.

"Reimbursement by Treasury check" is a payment made to a grantee with a Treasury check upon request for reimbursement from the grantee.

§ 74.92 Payment methods for nonconstruction grants.

(a) Letters of credit will be used to pay HEW grantees when all of the following conditions exist:

(1) There is or will be a continuing relationship between the grantee and the responsible HEW finance office for at least a twelve-month period and the total amount of advances to be received from the responsible HEW finance office is $250,000 or more, as prescribed by Treasury Circular No. 1075, and

(2) The grantee has established, or demonstrated to HEW the willingness and ability to establish procedures that will minimize the time elapsing between the transfer of funds from the Treasury and their disbursement by the grantee, and

(3) The grantee's financial management system meets the standards for fund control and accountability prescribed in Subpart H of this part.

(b) Advances by Treasury check will be used, in accordance with the provisions of Treasury Circular No. 1075, when the grantee meets all of the requirements specified in paragraph (a) of this section except those in paragraph (a)(1) of this section.

(c) Reimbursement by Treasury check will be the preferred (although not mandatory) method when the grantee does not meet the requirements specified in either or both of paragraphs (a)(2) and (a)(3) of this section. However, determinations to use the reimbursement by Treasury check method on these grounds may be made only by or with the concurrence of the Assistant Secretary, Comptroller, Department of Health, Education, and Welfare, or his designees. This method may also be used when the major portion of the program is accomplished through private market financing or Federal loans, and the Federal grant assistance constitutes a minor portion of the program.

(d) Grantees will be authorized to submit no less often than monthly their requests for advances or reimbursements when letters of credit or predetermined automatic Treasury check advances are not used.

§ 74.93 Payment methods for construction grants.

(a) The percentage of completion method will not be used to pay HEW construction grants.

(b) Reimbursement by Treasury check shall be the preferred method when the grantee does not meet the requirements specified in § 74.92(a) (2) and (3), and may be used for any other HEW construction grant except where HEW has entered into an agreement with a grantee to use a letter of credit for all HEW grants, including construction grants.

(c) When the reimbursement by Treasury check method is used, grantees will be authorized to submit no less often than monthly their requests for reimbursement.

(d) When the reimbursement by Treasury check method is not used, § 74.92 (a) and (b) shall be applicable to the construction grant. Implementing procedures under § 74.92 (a) and (b) shall be insofar as possible the same for construction grants as for nonconstruction grants awarded to the same grantee.

§ 74.94 Withholding of payments.

Unless otherwise required by law, payments for proper charges incurred by grantees will not be withheld unless the grant is suspended pursuant to § 74.113, or the grantee is indebted to the United States, and collection of the indebtedness will not impair the accomplishment of the objectives of any grant program sponsored by the United States. When a grant is suspended, payment adjustments will be made in accordance with § 74.113. When an indebtedness is to be collected, the HEW may, upon reasonable notice to the grantee, withhold from the grantee the right to receive payments under the grant(s) or require appropriate accounting adjustments to recorded grant cash balances for which the grantee is accountable to the Federal Government, in order to liquidate the indebtedness.

§ 74.95 Requesting advances or reimbursements.

Subpart I of this part sets forth the procedures and forms for requesting advances or reimbursements.

Subpart L—Budget Revision Procedures

§ 74.100 Scope of subpart.

This subpart promulgates criteria and procedures to be followed by grantees in reporting deviations from grant budgets and requesting approvals for budget revisions. For those State plan or other grants which do not involve a "grant budget" as defined in § 74.101, only § 74.105 is applicable.

§ 74.101 Grant budget.

The term "grant budget" as used in this subpart means the financial plan approved by the granting agency for both the Federal and non-Federal shares to carry out the purpose of the grant. However, for those grant programs which do not involve Federal approval of a financial plan for the non-Federal share, the term "grant budget" shall mean the financial plan approved by the granting agency for use of the Federal grant funds to carry out the purpose of the grant. The grant budget is the financial expression of the project or program as approved during the grant application and award process. It should be related to performance for program evaluation purposes whenever appropriate and required by the granting agency.

§ 74.102 Nonconstruction grants.

(a) As used in paragraphs (b)(3) and (b)(4) of this section, the term "direct cost object class budget categories" means only the following:

(1) Personnel;
(2) Fringe benefits;
(3) Travel;
(4) Equipment;
(5) Supplies;
(6) Contractual;
(7) Construction; and
(8) Other.

(b) For nonconstruction grants, grantees shall request prior approvals promptly from grantor agencies for budget revisions whenever:

(1) The revision results from changes in the scope or the objective of the grant-supported program.

(2) The revision indicates the need for additional Federal funding.

(3) The grantee is a State or local government, the grant budget is over $100,000, and the cumulative amount of transfers among direct cost object class budget categories exceeds or is expected to exceed $10,000, or five percent of the grant budget, whichever is greater. The same criteria apply to the cumulative amount of transfers among programs, functions, and activities when budgeted separately for a grant awarded to a State or local government, except that the granting agency shall permit no transfer which would cause any Federal appropriation,

or part thereof, to be used for purposes other than those intended.

(4) The grantee is a State or local government, the grant budget is $100,000, or less, and the cumulative amount of transfers among direct cost object class budget categories exceeds or is expected to exceed five percent of the grant budget. The same criteria apply to the cumulative amount of transfers among programs, functions, and activities when budgeted separately for a grant awarded to a State or local government, except that the granting agency shall permit no transfer which would cause any Federal appropriation, or part thereof, to be used for purposes other than those intended.

(5) The revisions involve the transfer of amounts budgeted for indirect costs to absorb increases in direct costs.

(6) The revisions pertain to the addition of items requiring prior approval by the granting agency in accordance with the provisions of the applicable cost principles specified in Subpart Q of this part.

(c) All other changes to nonconstruction grant budgets, except for the changes described in § 74.104, do not require approval. Examples of changes which do not require Federal approval are (1) the use of grantee funds in furtherance of program objectives over and above the grantee minimum share included in the approved grant budget and (2) the transfer of amounts budgeted for direct costs to absorb authorized increases in indirect costs.

(d) Paragraphs (b)(3) and (b)(4) of this section may be waived by the granting agency for those grant programs in which it determines that the requirements are not needed: *Provided, however,* That

(1) No different limitation or approval requirement for cumulative transfers may be imposed, and

(2) The granting agency shall in no case permit a transfer which would cause any Federal appropriation, or part thereof, to be used for purposes other than those intended.

§ 74.103 Construction grants.

For construction grants, grantees shall request prior approvals promptly from granting agencies for budget revisions whenever:

(a) The revision results from changes in the scope or the objective of the grant-supported program.

(b) The revision increases the budgeted amounts of Federal funds needed to complete the project.

§ 74.104 Construction and nonconstruction work under the same grant.

When a grant provides support for both construction and nonconstruction work, the granting agency may require the grantee to obtain prior approval from the granting agency before making any fund or budget transfers between the two types of work.

§ 74.105 Authorized funds exceeding grantee needs.

For both construction and nonconstruction grants, grantees shall notify the granting agency promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the grantee by more than $5,000 or 5 percent of the Federal grant, whichever is greater. This notification will not be required where applications for additional funding are submitted for continuing grants, and such applications include the grantee's estimate of what the unobligated balance of Federal authorized funds will be at the end of the current period.

§ 74.106 Method of requesting approvals.

When requesting approval for budget revisions, grantees shall use the budget forms which were used in the grant application. However, grantees may request by letter the approvals required by the § 74.102(b)(6).

§ 74.107 Notification of approval or disapproval.

Within 30 days from the date of receipt of the request for budget revisions, the granting agency shall review the request and notify the grantee whether or not the budget revisions have been approved. If the revision is still under consideration at the end of 30 days, the granting agency shall inform the grantee in writing as to when the grantee may expect the decision.

Subpart M—Grant Closeout, Suspension, and Termination

§ 74.110 Definitions.

As used in this subpart:

"Date of completion" means the date when all work under a grant is completed or the date in the grant award document, or any supplement or amendment thereto, on which Federal assistance ends.

"Disallowed costs" means those charges to a grant which the granting agency or its representative determines to be unallowable.

"Grant closeout" means the process by which a granting agency determines that all applicable administrative actions and all required work of the grant have been completed by the grantee and the granting agency.

"Suspension" means an action by a granting agency which temporarily suspends Federal assistance under the grant pending corrective action by the grantee or pending a decision to terminate the grant by the granting agency.

"Termination" means the cancellation of Federal assistance, in whole or in part, under a grant at any time prior to the date of completion.

§ 74.111 Closeout.

(a) In closing out HEW grants, the following shall be observed:

(1) Upon request, the granting agency shall make, or arrange for, prompt payment to the grantee for allowable reimbursable costs not covered by previous payments.

(2) The grantee shall immediately refund to the granting agency, or otherwise dispose of in accordance with instructions from the granting agency or the HEW financial officers representing the granting agency, any unencumbered balance of cash advanced to the grantee.

(3) The granting agency shall obtain from the grantee within 90 days after the date of completion of the grant all financial, performance, and other reports required as a condition of the grant. The agency may grant extensions when requested by the grantee.

(4) The granting agency shall make a settlement for any upward or downward adjustment of the Federal share of costs, to the extent called for by the terms and conditions of the grant.

(5) In the event a final audit has not been performed prior to the closeout of the grant, the granting agency shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

(b) The provisions of Subpart O of this part shall be observed by the grantee in accounting for any property acquired with grant funds, or received from the Federal Government in connection with the grant.

§ 74.112 Violation of grant terms and conditions.

When a grantee has materially failed to comply with the terms and conditions of a grant, the granting agency may suspend the grant, in accordance with § 74.113, terminate the grant for cause, as provided in § 74.114, or take such other remedies as may be legally available and appropriate in the circumstances.

§ 74.113 Suspension.

When a grantee has materially failed to comply with the terms and conditions of a grant, the granting agency may, after reasonable notice to the grantee, suspend the grant. No obligations incurred by the grantee during the period of suspension shall be allowable under the suspended grant, except that the granting agency may at its discretion allow necessary and proper costs which the grantee could not reasonably avoid during the period of suspension: *Provided,* That such costs would otherwise be allowable under the applicable cost principles specified in Subpart Q of this part. Appropriate adjustments to the payments under the suspended grant will be made, either by withholding the payments or by not allowing the grantee credit for disbursements which he may make in liquidation of unauthorized obligations he incurs during the period of suspension. Suspensions shall remain in effect until the grantee has taken corrective action to the satisfaction of the granting agency, or given assurances satisfactory to the granting agency that corrective action will be taken, or until the granting agency terminates the grant.

§ 74.114 Termination.

(a) *Termination for cause.* The granting agency may terminate any grant in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has materially failed to comply with the terms and con-

ditions of the grant. The granting agency shall promptly notify the grantee in writing of the determination and the reasons for the termination, together with the effective date. Payments made to grantees or recoveries by granting agencies under grants terminated for cause shall be in accordance with the legal rights and obligations of the parties.

(b) *Termination on other grounds.* (1) Except as provided in paragraph (a) of this section, grants may be terminated in whole or in part only as follows:

(i) By the granting agency with the consent of the grantee, in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial terminations, the portion to be terminated, or

(ii) By the grantee, upon written notification to the granting agency, setting forth the reasons for such termination, the effective date, and in the case of partial terminations, the portion to be terminated.

(2) When a grant is terminated pursuant to subparagraph (1) of this paragraph, the grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The granting agency shall allow full credit to the grantee for the Federal share of the noncancellable obligations properly incurred by the grantee prior to termination.

Subpart N—Forms for Applying for Grants

§ 74.120 Scope of subpart.

This subpart promulgates forms and instructions to be used by applicants in applying to HEW for grants. This subpart is not applicable, however, to those formula grant programs which do not require applicants to apply to HEW for funds on a project basis.

§ 74.121 Authorized forms and instructions.

(a) Only those forms specified in §§ 74.122 through 74.126, inclusive, and such supplementary or other forms as may from time to time be authorized by OGPM and OMB may be used in applying for grants.

(b) All applicable standard instructions promulgated by OMB for use in connection with the forms specified in §§ 74.122 through 74.126, inclusive, shall be followed. Granting agencies may promulgate supplementary instructions only with the approval of OGPM and OMB.

(c) Applicants shall submit the original and two copies of their applications. However, granting agencies may waive the requirement for the second copy, or both copies, when not needed.

(d) Except as provided by § 74.106 all requests by grantees for changes, continuations, and supplements to approved grants shall be submitted on the same form as the original application. For those purposes, only the affected pages of the forms should be submitted.

(e) The forms (with their instructions) specified in §§ 74.122 through 74.126, inclusive, shall be available to the public upon request to any granting agency.

§ 74.122 Preapplication for Federal Assistance.

(a) The Preapplication for Federal Assistance form prescribed by Attachment M of OMB Circular No. A–102 shall be used to:

(1) Establish communication between the applicant and the granting agency;

(2) Determine the applicant's eligibility;

(3) Determine how well the project can compete with similar applications from others; and

(4) Eliminate any proposals which have little or no chance for Federal funding before applicants incur significant expenditures for preparing an application.

(b) Preapplication shall be mandatory for all construction, land acquisition, or land development projects for which the need for Federal funding exceeds $100,000. The granting agency may require preapplication for other types of grant projects, or for those for which the Federal funds requested are for $100,000 or less. In addition, any applicant shall have the right to submit a preapplication even when not required by the granting agency.

§ 74.123 Notice of Preapplication Review Action.

The Notice of Preapplication Review Action form prescribed by Attachment M of OMB Circular No. A–102 will be used by granting agencies to inform the applicant of the results of the review of the preapplications submitted to them. The granting agency will send a notice to the applicant within 45 days of the receipt of the preapplication form. When the review cannot be made within 45 days, the applicant will be informed by letter as to when the review will be completed.

§ 74.124 Application for Federal Assistance (Nonconstruction Programs).

The Application for Federal Assistance (Nonconstruction Programs) form prescribed by Attachment M of OMB Circular No. A–102 shall be used to apply for any grant to which this subpart is applicable except where the forms specified in §§ 74.125 and 74.126 are to be used.

§ 74.125 Application for Federal Assistance (for Construction Programs).

The Application for Federal Assistance (for Construction Programs) form prescribed by Attachment M of OMB Circular No. A–102 shall be used to apply for any grant whose purpose is solely or primarily construction, land acquisition, or land development.

§ 74.126 Application for Federal Assistance (Short Form).

The Application for Federal Assistance (Short Form) form prescribed by Attachment M of OMB Circular No. A–102 shall be used to apply for any single-purpose, one-time grant of less than $10,000 not requiring clearinghouse approval, an environmental impact statement, or the relocation of persons, businesses, or farms. Granting agencies may, at their discretion, authorize or prescribe this form for applications for larger amounts.

Subpart O—Property

§ 74.130 Scope of subpart.

This subpart prescribes policies and procedures governing title, use, and disposition, for real and tangible personal property whose acquisition cost was borne in whole or in part as a direct charge by HEW grants, and ownership and rights for intangible personal property developed under HEW grants.

§ 74.131 General.

Grantees may follow their own property management policies and procedures, provided they observe the requirements of this subpart. With respect to property covered by this subpart, granting agencies may not impose on their grantees any requirements (including property reporting requirements) not authorized by this part unless specifically required by Federal law.

§ 74.132 Definitions.

As used in this subpart:

"Acquisition" of property includes purchase, construction, or fabrication of property.

"Acquisition cost" of nonexpendable personal property acquired by purchase means the net invoice price of the property, including any attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, or installation shall be included in or excluded from acquisition cost in accordance with the grantee's regular accounting practices.

"Expendable personal property" means all tangible personal property other than nonexpendable property.

"Nonexpendable personal property" means tangible personal property having a useful life of more than one year and an acquisition cost of $300 or more per unit. A grantee may use its own definition of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined herein.

"Personal property" means property of any kind except real property. It may be tangible—having physical existence, or intangible—having no physical existence, such at patents, inventions, and copyrights.

"Real property" means land, land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

§ 74.133 Real property.

Title to real property whose acquisition cost was borne in whole or in part by an HEW grant shall vest in the grantee upon acquisition. In the absence of applicable statutory provisions governing the use or disposition of such property, it shall be subject to the following requirements, in addition to any

other requirements imposed by the terms and conditions of the grant:

(a) The grantee shall use the real property for the purposes authorized by the original grant as long as needed.

(b) The granting agency may authorize the grantee to use the property for the following (but no other) purposes when the grantee determines that the property is no longer needed for the originally authorized purposes:

(1) Activities sponsored by other Federal awards (regardless of which Federal agency makes the other awards), or

(2) Activities not sponsored by other Federal awards, but which nevertheless, have purposes consistent with those of the legislation under which the original grant was made.

(c)(1) When no longer used in accordance with paragraphs (a) and (b) of this section, the grantee shall return to the control of the granting agency all real property whose acquisition cost was borne wholly by an HEW grant. If the acquisition cost of the property was borne partly by an HEW grant, the grantee may be relieved of accountability to the Federal Government with respect to the Federal interest in the property by compensating the Federal Government for its fair share of the current value of the property, or if the grantee no longer needs the property, by selling it and compensating the Federal Government for its fair share of the sales proceeds.

(2) The amount of compensation to the Federal Government under subparagraph (1) of this paragraph shall be computed by applying the percentage of Federal participation in the cost of the project or program for which the property was acquired to the property's current fair market value (if the grantee retains the property) or to the proceeds from sale (if the grantee sells the property). In most cases, the real property will have been acquired under a grant whose purpose was to assist the grantee in acquiring the property (e.g., a construction grant). In such cases, the "total cost of the project or program for which the property was acquired" will ordinarily be the same as the acquisition cost of the property.

§ 74.134 Nonexpendable personal property.

(a) *Title.* Title to nonexpendable personal property whose acquisition cost is borne wholly or in part by an HEW grant shall vest in the grantee upon acquisition, and except as provided in § 74.138, shall be subject to the restrictions on use and disposition set forth in paragraphs (b) and (c) of this section.

(b) *Use.* (1) The grantee shall use the property in the original grant project as long as there is a need for such property to accomplish the purpose of the project, whether or not the project continues to be supported by Federal funds.

(2) When there is no longer a need for the property to accomplish the purpose of the original project, the grantee shall use the property in connection with other Federal awards it has received in the following order of priority:

(i) Other awards made by the same granting agency needing the property;

(ii) Awards of other Federal agencies (including non-HEW agencies) needing the property.

(3) When the grantee no longer has need for such property in any of its federally financed activities, the property may be used for the grantee's own official activities in accordance with the following standards:

(i) If the property had an acquisition cost of less than $500 per unit and has been used four years or more, the grantee may use the property without reimbursement to the Federal Government or sell the property and retain the proceeds.

(ii) For all such property not covered under subdivision (i) of this subparagraph, the grantee may retain the property for its own use: *Provided*, That a fair compensation is made to the Federal Government for the Federal share of the property. The amount of such compensation shall be computed by applying the percentage of Federal participation in the cost of the project to the current fair market value of the property.

(c) *Disposition.* If the grantee has no need for the property, disposition of the property shall be made as follows:

(1) If the property had an acquisition cost of $1,000 or less per unit (except for property covered under paragraph (b)(3)(i) of this section), the grantee shall sell the property and reimburse the Federal Government in accordance with paragraph (c)(2)(iii) of this section.

(2. If the property had an acquisition cost of over $1,000 per unit, the grantee shall request disposition instructions from the granting agency. The granting agency shall issue instructions to the grantee within 120 days following the receipt of such request and the following procedures shall govern:

(i) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed with an amount which is computed by applying the percentage of the grantee's participation in the cost of the project to the current fair market value of the property, plus any shipping or interim storage costs incurred.

(ii) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed for the costs incurred in such disposition.

(iii) If disposition or other instructions are not issued within the 120-day period specified in subparagraph (2) of this paragraph, the grantee shall sell the property and reimburse the Federal Government with an amount which is computed by applying the percentage of Federal participation in the cost of the project to the sales proceeds. The grantee may, however, deduct and retain from that amount $100 or 10 percent of the total sales proceeds, whichever is greater, for the grantee's selling and handling expenses.

§ 74.135 Transfer of title to certain property.

(a) Where the granting agency determines that an item of nonexpendable personal property with an acquisition cost of $1,000 or more which is to be borne wholly by an HEW grant is unique, difficult, or costly to replace, the granting agency may reserve the right to require the grantee to transfer title to the property to the Federal Government or to a third party named by the granting agency.

(b) Such reservation shall be subject to the following:

(1) The right to require transfer of title may be reserved only by means of an express special condition in the grant award document, or, if approval for the acquisition of the property is given after the grant is awarded, by means of a written stipulation at the time such approval is given.

(2) The property must be appropriately identified in the award document or otherwise made known to the grantee.

(3) The granting agency may not exercise the right until the grantee no longer needs the property in the project for which it was acquired. Such need shall be assumed to end on the date of completion or termination of the grant unless the grantee continues to conduct the project after that date and demonstrates to the granting agency a continued need for the property in the project.

(4) In order to exercise the right, the granting agency must issue disposition instructions to the grantee not later than 120 days after the grantee no longer needs the property in the project for which it was acquired. If instructions are not issued within that time, the granting agency's right shall lapse, and the grantee shall act in accordance with the applicable standards in paragraphs (b)(1), (b)(2), (b)(3), and (c)(2) of § 74.134.

(5) The grantee shall be entitled to reimbursement for any shipping and interim storage costs it incurs pursuant to the granting agency's disposition instructions.

§ 74.136 Property management standards.

Grantees' property management standards for nonexpendable personal property covered by § 74.134 shall include the following procedural requirements:

(a) Property records shall be maintained accurately and provide for:

(1) A description of the property;

(2) Manufacturer's serial number or other identification number;

(3) Acquisition date and cost;

(4) Source of the property;

(5) Percentage of Federal funds used in the acquisition of the property;

(6) Location, use, and condition of the property; and

(7) Ultimate disposition data including sales price or the method used to determine current fair market value if the grantee reimburses the Federal Government for the Federal share.

(b) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the property.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft to the property. Any loss, damage, or theft of nonexpendable personal property shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(e) Proper sales procedures shall be established for unneeded property which would provide for competition to the extent practicable and result in the highest possible return.

§ 74.137 Expendable personal property.

(a) *Consumable materials and supplies.* The cost principles prescribed by Subpart Q of this part provide, in effect, that the cost of consumable supplies or materials is allowable only to the extent that the supplies or materials are reasonably necessary to carry out the grant-supported project or program. Amounts in excess of need are therefore not allowable costs.

(b) *Other expendable personal property.* In many cases, items of expendable personal property (other than consumable supplies or materials) whose acquisition cost was borne in whole or in part by a grant have a useful life longer than the period of need on the project or program for which they were required. The grantee may at its option either retain or sell such items when no longer needed for any federally sponsored activity (including activities sponsored by other Federal agencies). However, compensation to the granting agency shall be required if the aggregate fair market value of all such items acquired under the same grant exceeds $500 when no longer needed for any federally sponsored activity. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original grant project or program to the current fair market value of items retained, and to the sales proceeds of items sold.

§ 74.138 Waiver of accountability.

(a) Where authorized under Federal law (e.g., (42 U.S.C. 1892) Pub. L. 85-934) title to tangible personal property whose acquisition cost is borne in whole or in part by an HEW grant shall vest in the grantee without regard to any other requirements of this part and without further obligation to the Federal Government, except as provided in paragraph (b) of this section.

(b) When title to an item of property having an acquisition cost of $1,000 or more is vested in the grantee pursuant to paragraph (a) of this section, the granting agency shall have the right to require the grantee to transfer title to the item of property to the Federal Government or to a third party named by the granting agency. The right may be exercised at any time, but no later than twelve months after the granting agency has received the final Financial Status Report (or other final financial report serving an essentially equivalent function) from the grantee after completion or termination of the project for which the property was acquired. If the right is exercised, the grantee shall be entitled to reimbursement for the costs incurred in transferring the property.

§ 74.139 Patents and inventions.

(a) All inventions conceived for first actually reduced to practice in the course of or under an HEW grant are subject to the Department of Health, Education, and Welfare Patent Regulations (Parts 6 and 8 of this title). Each such invention shall be promptly and fully reported to the Assistant Secretary for Health, Department of Health, Education, and Welfare.

(b) Determination as to ownership and disposition of rights to such inventions, including whether a patent application shall be filed, and, if so, the manner of obtaining, administering, and disposing of rights under any patent application or patent which may issue shall be made either:

(1) By the Assistant Secretary for Health, whose decision shall be considered as final, or

(2) Where the grantee has a separate formal institutional patent agreement with HEW, by the grantee in accordance with that agreement.

§ 74.140 Copyrights.

When a book or other copyrightable material is developed under a grant made to a State or local government, the author or grantee is free to copyright the work, but HEW shall have a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes. If the grantee is not a State or local government, the copyright policies of the granting agency shall govern.

§ 74.141 Determining percentage of participation.

(a) Various provisions in this subpart require a determination of the percentage of Federal (or grantee) participation in the cost of the project or program in order to compute the amount of compensation for the value, or proceeds from sale, of property. In determining the applicable percentage, there shall first be deducted from the allowable costs incurred during the grant period, any royalties or other income (not including interest income or proceeds from sale of property) earned by the grant-supported project or program during the grant period.

(b) The deduction of income required by paragraph (a) of this section is independent of, and is not intended to control, the disposition of such income pursuant to Subpart F of this part.

Subpart P—Procurement Standards

§ 74.150 Scope of subpart.

(a) This subpart provides standards for use by grantees in establishing procedures for the procurement of supplies, equipment, construction, and other services whose cost is borne in whole or in part as a direct charge by HEW grants. These standards are furnished to insure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal law and Executive Orders. No additional procurement standards will be imposed by HEW upon grantees unless specifically required by Federal law or Executive Orders.

(b) Except for § 74.159(c) the requirements of this subpart are applicable only to procurements, and not to subgrants or other forms of financial assistance provided by grantees to third parties.

§ 74.151 General.

(a) Grantees may use their own procurement policies provided that procurements whose cost is borne in whole or in part as a direct charge by HEW grants adhere to the standards set forth in this subpart.

(b) The standards contained in this subpart do not relieve the grantee of the responsibilities arising under its contracts. The grantee is the responsible authority regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of a grant. This includes but is not limited to: Disputes, claims, protests of award, source evaluation, or other matters of a contractual nature. Matters concerning violation of law are to be referred to such local, State, or Federal authority as may have proper jurisdiction.

§ 74.152 Code of conduct.

The grantee shall maintain a code or standard of conduct which shall govern the performance of its officers, employees, or agents in contracting with and expending Federal grant funds. The grantee's officers, employees or agents, shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors. To the extent permissible under State or local law, rules or regulations, or if the grantee is not a State or local government to the extent that the grantee determines that it has the legal and practical capacity for enforcement, such standards shall provide for appropriate penalties, sanctions, or other disciplinary actions to be applied for violations of such standards either by the grantee's officers, employees, or agents, or by contractors or their agents.

§ 74.153 Free competition.

All procurement transactions of the grantee regardless of whether negotiated or advertised and without regard to dollar value shall be conducted in a manner so as to provide maximum open and free competition. The grantee should be alert to organizational conflicts of interest or noncompetitive practices among contractors which may restrict or eliminate competition or otherwise restrain trade.

§ 74.154 Procedural requirements.

The grantee shall establish procurement procedures which provide for, as a minimum, the following:

(a) Proposed procurement actions shall be reviewed by appropriate grantee

officials to avoid purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.

(b) Invitations for bids or requests for proposals shall be based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement, and when so used, the specific features of the named brand which must be met by offerors should be clearly specified.

(c) Positive efforts shall be made by the grantees to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts to be performed under Federal grants.

(d) The type of procuring instruments used (i.e., fixed-price contracts, cost reimbursable contracts, purchase orders, incentive contracts, etc.), shall be appropriate for the particular procurement and for promoting the purposes of the grant project or program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(e) If the grantee is a State or local government, formal advertising, with adequate purchase description, sealed bids, and public openings shall be the required method of procurement unless negotiation pursuant to § 74.155 is necessary to accomplish sound procurement. However, procurements of $2,500 or less need not be so advertised unless otherwise required by State or local law or regulations. When formal advertising is employed by the State or local government:

(1) The awards shall be made to the responsible bidder whose bid is responsive to the invitation and is most advantageous to the State or local government grantee, price and other factors considered. Factors such as discounts, transportation costs, and taxes may be considered in determining the lowest bid.

(2) Invitations for bids shall clearly set forth all requirements which the bidder must fulfill in order for his bid to be evaluated by the State or local government grantee.

(3) Any or all bids may be rejected when it is in the State or local government grantee's interest to do so, and such rejections are in accordance with applicable State or local law, rules, and regulations.

§ 74.155 Negotiated procurements by State or local governments.

(a) Procurements may be negotiated by State or local government grantees if it is not practicable or feasible to use formal advertising. Generally, procurements may be negotiated if one or more of the following conditions prevail:

(1) The public exigency will not permit the delay incident to advertising;

(2) The material or service to be procured is available from only one person or firm; all contemplated sole source procurements where the aggregate expenditure is expected to exceed $5,000 shall be referred to the granting agency for prior approval if such approval is required by the granting agency;

(3) The aggregate amount involved does not exceed $2,500;

(4) The contract is for personal or professional services, or for any service to be rendered by a university, college, or other educational institution;

(5) The material or services are to be procured and used outside the limits of the United States and its possessions;

(6) No acceptable bids have been received after formal advertising;

(7) The purchases are for highly perishable materials or medical supplies, for material or services where the prices are established by law, for technical items or equipment requiring standardization and interchangeability of parts with existing equipment, for experimental, developmental or research work, for supplies purchased for authorized resale, and for technical or specialized supplies requiring substantial initial investment for manufacture;

(8) Negotiation is otherwise authorized by applicable Federal, State, or local law, rules or regulations.

(b) Notwithstanding the existence of circumstances justifying negotiation, competition shall be obtained to the maximum extent practicable.

§ 74.156 Contractor responsibility.

Contracts shall be made by grantees only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, and accessibility to other necessary resources.

§ 74.157 Records for negotiated procurements by State or local governments.

The procurement records or files of State or local government grantees for negotiated purchases in amounts in excess of $2,500 shall include the following pertinent information: justification for the use of negotiation in lieu of advertising, contractor selection, and the basis for the cost or price negotiated. Justification for the use of negotiation in lieu of advertising may be provided on a class basis or on an individual contract basis.

§ 74.158 Contract administration system.

A system for contract administration shall be maintained by the grantee to assure contractor compliance with terms, conditions, and specifications of the contract or order, and to assure adequate and timely follow up of all purchases.

§ 74.159 Contract and subgrant provisions.

(a) *General.* (1) The grantee shall include provisions to define a sound and complete agreement in all contracts and subgrants which it awards when the contract or subgrant costs are to be borne as a direct charge in whole or in part by an HEW grant.

(2) In awarding such contracts, the grantee must comply with the applicable requirements of paragraphs (b) and (c) of this section.

(3) In awarding such subgrants, the grantee must comply with the applicable requirements of paragraph (c) of this section.

(b) *Contracts under HEW grants.* (1) If the grantee is a State or local government, its contracts shall contain contractual provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

(2) All contracts awarded by State or local government grantees in excess of $2,500 shall contain suitable provisions for termination by the grantee including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall set forth the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) In all contracts for construction or facility improvement awarded in excess of $100,000, the bonding requirements set forth in Subpart C of this part shall be observed.

(4) All negotiated contracts (except those of $2,500 or less) shall include provisions giving access to, and requiring retention of, the contractor's records in accordance with §§ 74.20, 74.21, and 74.23(b).

(c) *Contracts and subgrants under HEW grants.* (1) Provisions for compliance with Executive Order No. 11246, entitled, "Equal Employment Opportunity," as supplemented in Department of Labor regulations (41 CFR Part 60) shall be included in all contracts and subgrants to which they are applicable.

(2) All contracts and subgrants in excess of $2,000 for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as implemented in Department of Labor regulations (29 CFR Part 3). The grantee shall report all suspected or reported violations to the granting agency.

(3) When required by the HEW grant program enabling legislation, all construction contracts awarded by grantees and subgrantees in excess of $2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a–7) as supplemented by Department of Labor regulations (29 CFR Part 5). The grantee shall report all suspected or reported violations to the granting agency.

(4) Where applicable, all construction contracts exceeding $2,000 awarded by

grantees and subgrantees, and all other contracts awarded by them which exceed $2,500 and which involve the employment of mechanics and laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–330) as implemented by Department of Labor regulations (29 CFR Part 5).

(5) All research or development agreements, whether contracts or subgrants, shall contain a notice to the effect that rights to inventions conceived or first actually reduced to practice in the course of or under the agreement shall be governed by the Department's Patent Regulations (Parts 6 and 8 of this title), implementing terms and conditions of the HEW grant, and any pertinent regulations or other requirements consistent therewith issued by the grantee. The grantee shall assure that the performer of the research or development work either is given all necessary information regarding these matters, or is advised as to the source of such information. This subparagraph shall also apply to nonresearch and nondevelopment awards in fields of science or technology in which there has been little significant experience outside of work funded by the Federal Government.

(6) Each contract of an amount in excess of $2,500 awarded by a grantee or subgrantee shall provide that the recipient will comply with applicable regulations and standards of the Cost of Living Council in establishing wages and prices. The provision shall advise the recipient that submission of a bid or offer or the submittal of an invoice or voucher for property, goods, or services furnished under a contract or agreement with the grantee or subgrantee shall constitute a certification by him that amounts to be paid do not exceed maximum allowable levels authorized by the Cost of Living Council regulations or standards. Suspected violations shall be reported by the grantee in writing to the local Internal Revenue Service field office with a copy to the granting agency.

(7) Contracts and subgrants in excess of $100,000 shall contain a provision which requires the recipient to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 as amended (42 U.S.C. 1857b. et seq.). Suspected violations shall be reported by the grantee in writing to the regional office of the United States Environmental Protection Agency, with a copy to the granting agency.

Subpart Q—Cost Principles

§ 74.170 Scope of subpart.

This subpart establishes the principles to be used (except to the extent inconsistent with an applicable Federal statute or regulation) in determining costs applicable to HEW grants, and to subgrants or cost-type contracts under HEW grants.

§ 74.171 Grants to State or local governments.

The principles to be used in determining the allowable costs of activities conducted or administered by State and local governments under grants (and subgrants) or cost-type contracts awarded to them under grants) are set forth in Appendix C to this part.

§ 74.172 Grants to institutions of higher education.

(a) *Research and development.* The principles for determining the allowable costs of research and development work performed by institutions of higher education under grants (and subgrants or cost-type contracts awarded to them under grants) are set forth in Part I of Appendix D to this part.

(b) *Training and other educational services.* The principles for determining the allowable costs of training and other educational services provided by institutions of higher education under grants (and subgrants or cost-type contracts awarded to them under grants) are set forth in Part II of Appendix D to this part.

(c) *Other activities.* Appendix D to this part shall be used as a guide for determining the allowable costs of other activities conducted by institutions of higher education under grants (and subgrants or cost-type contracts awarded to them under grants).

§ 74.173 Grants to hospitals.

(a) *Research and development.* The principles for determining the allowable costs of research and development work performed by hospitals under grants (and subgrants or cost-type contracts awarded to them under grants) are set forth in Appendix E to this part.

(b) *Other activities.* Appendix E to this part shall be used as a guide for determining the allowable costs of other activities conducted by hospitals under grants (and subgrants or cost-type contracts awarded to them under grants).

§ 74.174 Grants to other nonprofit organizations.

(a) *Nonconstruction.* The principles for determining the allowable costs of activities conducted by nonprofit organizations other than institutions of higher education, hospitals, States, and local governments under nonconstruction grants (and nonconstruction subgrants or cost-type contracts awarded to them under grants) are set forth in Appendix F to this part.

(b) *Construction.* Appendix F to this part shall be used as a guide for determining the allowable costs of work under construction grants to nonprofit organizations (other than institutions of higher education, hospitals, States, and local governments) and any construction subgrants or cost-type contracts awarded to such nonprofit organizations under grants.

§ 74.175 Subgrants and cost-type contracts.

(a) It should be noted that the cost principles applicable to a subgrantee or cost-type contractor under an HEW grant will not necessarily be the same as those applicable to the grantee. For example, where a State government awards a subgrant or cost-type contract to an institution of higher education, Appendix D to this part would apply to the costs incurred by the institution of higher education, even though Appendix C would apply to the costs incurred by the State.

(b) The principles to be used in determining the allowable costs of work performed by commercial organizations under cost-type contracts awarded to them under HEW grants are set forth in 41 CFR Subpart 1.15.2.

Appendix A [Reserved]

Appendix B [Reserved]

Appendix C—Principles for Determining Costs Applicable to Grants and Contracts With State and Local Governments

Part I—General

A. Purpose and scope

1. *Objectives.* This appendix sets forth principles for determining the allowable costs of programs administered by State and local governments under grants from and contracts with the Federal Government. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal and State or local participation in the financing of a particular grant. They are designed to provide that federally assisted programs bear their fair share of costs recognized under these principles, except where restricted or prohibited by law. No provision for profit or other increment above cost is intended.

2. *Policy guides.* The application of these principles is based on the fundamental premises that:

a. State and local governments are responsible for the efficient and effective administration of grant and contract programs through the application of sound management practices.

b. The grantee or contractor assumes the responsibility for seeing that federally assisted program funds have been expended and accounted for consistent with underlying agreements and program objectives.

c. Each grantee or contractor organization, in recognition of its own unique combination of staff facilities and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration.

3. *Application.* These principles will be applied in determining costs incurred by State and local governments under Federal grants and cost reimbursement type contracts (including subgrants and subcontracts) except those with (a) publicly financed educational institutions subject to Appendix D to this part and (b) publicly owned hospitals and other providers of medical care subject to requirements of Appendix E to this part.

B. Definitions

1. *Approval or authorization of the grantor Federal agency* means documentation evidencing consent prior to incurring specific cost.

2. *Cost allocation plan* means the documentation identifying, accumulating, and distributing allowable costs under grants and contracts together with the allocation methods used.

3. *Cost,* as used herein, means cost as determined on a cash, accrual, or other basis acceptable to the Federal grantor agency as a discharge of the grantee's accountability for Federal funds.

4. *Cost objective* means a pool, center, or area established for the accumulation of cost. Such areas include organizational

units, functions, objects or items of expense, as well as ultimate cost objectives including specific grants, projects, contracts, and other activities.

5. *Federal agency* means the Department of Health, Education, and Welfare.

6. *Grant* means an agreement between the Federal Government and a State or local government whereby the Federal Government provides funds or aid in kind to carry out specified programs, services, or activities. The principles and policies stated in this appendix as applicable to grants in general also apply to any federally sponsored cost reimbursement type of agreement performed by a State or local government, including contracts, subcontracts and subgrants.

7. *Grant program* means those activities and operations of the grantee which are necessary to carry out the purposes of the grant, including any portion of the program financed by the grantee.

8. *Grantee* means the department or agency of State or local government which is responsible for administration of the grant.

9. *Local unit* means any political subdivision of government below the State level.

10. *Other State or local agencies* means departments or agencies of the State or local unit which provide goods, facilities, and services to a grantee.

11. *Services*, as used herein, means goods and facilities, as well as services.

12. *Supporting services* means auxiliary functions necessary to sustain the direct effort involved in administering a grant program or an activity providing service to the grant program. These services may be centralized in the grantee department or in some other agency, and include procurement, payroll, personnel functions, maintenance and operation of space, data processing, accounting, budgeting, auditing, mail and messenger service, and the like.

C. BASIC GUIDELINES

1. *Factors affecting allowability of costs.* To be allowable under a grant program, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient administration of the grant program, be allocable thereto under these principles, and, except as specifically provided herein, not be a general expense required to carry out the overall responsibilities of State or local governments.

b. Be authorized or not prohibited under State or local laws or regulations.

c. Conform to any limitations or exclusions set forth in these principles, Federal laws, or other governing limitations as to types or amounts of cost items.

d. Be consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of the unit of government of which the grantee is a part.

e. Be accorded consistent treatment through application of generally accepted accounting principles appropriate to the circumstances.

f. Not be allocable to or included as a cost of any other federally financed program in either the current or a prior period.

g. Be net of all applicable credits.

2. *Allocable costs.* a. A cost is allocable to a particular cost objective to the extent of benefits received by such objective.

b. Any cost allocable to a particular grant or cost objective under the principles provided for in this appendix may not be shifted to other Federal grant programs to overcome fund deficiencies, avoid restrictions imposed by law or grant agreements, or for other reasons.

c. Where an allocation of joint cost will ultimately result in charges to a grant program, an allocation plan will be required as prescribed in section J.

3. *Applicable credits.* a. Applicable credits refer to those receipts or reduction of expenditure-type transactions which offset or reduce expense items allocable to grants as direct or indirect costs. Examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; sale of publications, equipment, and scrap; income from personal or incidental services; and adjustments of overpayments or erroneous charges.

b. Applicable credits may also arise when Federal funds are received or are available from sources other than the grant program involved to finance operations or capital items of the grantee. This includes costs arising from the use or depreciation of items donated or financed by the Federal Government to fulfill matching requirements under another grant program. These types of credits should likewise be used to reduce related expenditures in determining the rates or amounts applicable to a given grant.

D. COMPOSITION OF COST

1. *Total cost.* The total cost of a grant program is comprised of the allowable direct cost incident to its performance, plus its allocable portion of allowable indirect costs, less applicable credits.

2. *Classification of costs.* There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the grant or other ultimate cost objective. It is essential therefore that each item of cost be treated consistently either as a direct or an indirect cost. Specific guides for determining direct and indirect costs allocable under grant programs are provided in the sections which follow.

E. DIRECT COSTS

1. *General.* Direct costs are those that can be identified specifically with a particular cost objective. These costs may be charged directly to grants, contracts, or to other programs against which costs are finally lodged. Direct costs may also be charged to cost objectives used for the accumulation of costs pending distribution in due course to grants and other ultimate cost objectives.

2. *Application.* Typical direct costs chargeable to grant programs are:

a. Compensation of employees for the time and effort devoted specifically to the execution of grant programs.

b. Cost of materials acquired, consumed, or expended specifically for the purpose of the grant.

c. Equipment and other approved capital expenditures.

d. Other items of expense incurred specifically to carry out the grant agreement.

e. Services furnished specifically for the grant program by other agencies, provided such charges are consistent with criteria outlined in Section G of these principles.

F. INDIRECT COSTS

1. *General.* Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities, to the grantee department. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect cost within a grantee department or in other agencies providing services to a grantee department. Indirect cost pools should be distributed to benefiting cost objectives on bases which will produce an equitable result in consideration of relative benefits derived.

2. *Grantee departmental indirect costs.* All grantee departmental indirect costs, including the various levels of supervision, are eligible for allocation to grant programs provided they meet the conditions set forth in this Appendix. In lieu of determining the actual amount of grantee departmental indirect cost allocable to a grant program, the following methods may be used:

a. *Predetermined fixed rates for indirect costs.* A predetermined fixed rate for computing indirect costs applicable to a grant may be negotiated annually in situations where the cost experience and other pertinent facts available are deemed sufficient to enable the contracting parties to reach an informed judgment (1) as to the probable level of indirect costs in the grantee department during the period to be covered by the negotiated rate, and (2) that the amount allowable under the predetermined rate would not exceed actual indirect cost.

b. *Negotiated lump sum for overhead.* A negotiated fixed amount in lieu of indirect costs may be appropriate under circumstances where the benefits derived from a grantee department's indirect services cannot be readily determined as in the case of small, self-contained or isolated activity. When this method is used, a determination should be made that the amount negotiated will be approximately the same as the actual indirect cost that may be incurred. Such amounts negotiated in lieu of indirect costs will be treated as an offset to total indirect expenses of the grantee department before allocation to remaining activities. The base on which such remaining expenses are allocated should be appropriately adjusted.

3. *Limitation on indirect costs.* a. Federal grants may be subject to laws that limit the amount of indirect cost that may be allowed. Agencies that sponsor grants of this type will establish procedures which will assure that the amount actually allowed for indirect costs under each such grant does not exceed the maximum allowable under the statutory limitation or the amount otherwise allowable under this Appendix, whichever is the smaller.

b. When the amount allowable under a statutory limitation is less than the amount otherwise allocable as indirect costs under this Appendix, the amount not recoverable as indirect costs under a grant may not be shifted to another federally sponsored grant program or contract.

G. COST INCURRED BY AGENCIES OTHER THAN THE GRANTEE

1. *General.* The cost of service provided by other agencies only may include allowable direct costs of the service plus a pro rata share of allowable supporting costs (section B.12.) and supervision directly required in performing the service, but not supervision of a general nature such as that provided by the head of a department and his staff assistants not directly involved in operations. However, supervision by the head of a department or agency whose sole function is providing the service furnished would be an eligible cost. Supporting costs include those furnished by other units of the supplying department or by other agencies.

2. *Alternative methods of determining indirect cost.* In lieu of determining actual indirect cost related to a particular service furnished by another agency, either of the following alternative methods may be used provided only one method is used for a spe-

cific service during the fiscal year involved.

a. *Standard indirect rate.* An amount equal to 10 percent of direct labor cost in providing the service performed by another State agency (excluding overtime, shift, or holiday premiums and fringe benefits) may be allowed in lieu of actual allowable indirect cost for that service.

b. *Predetermined fixed rate.* A predetermined fixed rate for indirect cost of the unit or activity providing service may be negotiated as set forth in section F.2.a.

H. COST INCURRED BY GRANTEE DEPARTMENT FOR OTHERS

1. *General.* The principles provided in section G. will also be used in determining the cost of services provided by the grantee department to another agency.

J. COST ALLOCATION PLAN

1. *General.* A plan for allocation of costs will be required to support the distribution of any joint costs related to the grant program. All costs included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual charges.

2. *Requirements.* The allocation plan of the grantee department should cover all joint costs of the department as well as costs to be allocated under plans of other agencies or organizational unit which are to be included in the costs of federally sponsored programs. The cost allocation plans of all the agencies rendering services to the grantee department, to the extent feasible, should be presented in a single document. The allocation plan should contain, but not necessarily be limited to, the following:

a. The nature and extent of services provided and their relevance to the federally sponsored programs.

b. The items of expense to be included.

c. The methods to be used in distributing cost.

3. *Instructions for preparation of cost allocation plans.* The Department of Health, Education, and Welfare, in consultation with the other Federal agencies concerned, will be responsible for developing and issuing the instructions for use by State and local government grantees in preparation of cost allocation plans. This responsibility applies to both central support services at the State and local government level as well as indirect cost proposals of individual grantee departments.

4. *Negotiation and approval of indirect cost proposals for States.* a. The Department of Health, Education, and Welfare, in collaboration with the other Federal agencies concerned, will be responsible for negotiation, approval and audit of cost allocation plans, which will be submitted to it by the States. These plans will cover central support service costs of the State.

b. At the grantee department level in a State, a single Federal agency will have responsibility similar to that set forth in a. above for the negotiation, approval and audit of the indirect cost proposal. Cognizant Federal agencies have been designated for this purpose. Changes which may be required from time to time in agency assignments will be arranged by the Department of Health, Education, and Welfare in collaboration with the other interested agencies, and submitted to the Office of Management and Budget for final approval. A current list of agency assignments will be maintained by the Department of Health, Education, and Welfare.

c. Questions concerning the cost allocation plans approved under a. and b. above should be directed to the agency responsible for such approvals.

5. *Negotiation and approval of indirect cost proposals for local governments.* a. Cost allocation plans will be retained at the local government level for audit by a designated Federal agency except in those cases where that agency requests that cost allocation plans be submitted to it for negotiation and approval.

b. A list of cognizant Federal agencies assigned responsibility for negotiation, approval and audit of central support service cost allocation plans at the local government level is being developed. Changes which may be required from time to time in agency assignments will be arranged by the Department of Health, Education, and Welfare in collaboration with the other interested agencies, and submitted to the Office of Management and Budget for final approval. A current list of agency assignments will be maintained by the Department of Health, Education, and Welfare.

c. At the grantee department level of local governments, the Federal agency with the predominant interest in the work of the grantee department will be responsible for necessary negotiation, approval and audit of the indirect cost proposal.

6. *Resolution of problems.* To the extent that problems are encountered among the Federal agencies in connection with 4. and 5. above, the Office of Management and Budget will lend assistance as required.

PART II—STANDARDS FOR SELECTED ITEMS OF COST

A. PURPOSE AND APPLICABILITY

1. *Objective.* This part provides standards for determining the allowability of selected items of cost.

2. *Application.* These standards will apply irrespective of whether a particular item of cost is treated as direct or indirect cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable, rather determination of allowability in each case should be based on the treatment of standards provided for similar or related items of cost. The allowability of the selected items of cost is subject to the general policies and principles stated in Part I of this appendix.

B. ALLOWABLE COSTS

1. *Accounting.* The cost of establishing and maintaining accounting and other information systems required for the management of grant programs is allowable. This includes cost incurred by central service agencies for these purposes. The cost of maintaining central accounting records required for overall State or local government purposes, such as appropriation and fund accounts by the Treasurer, Comptroller, or similar officials, is considered to be a general expense of government and is not allowable.

2. *Advertising.* Advertising media includes newspapers, magazines, radio, and television programs, direct mail, trade papers, and the like. The advertising costs allowable are those which are solely for:

a. Recruitment of personnel required for the grant program.

b. Solicitation of bids for the procurement of goods and services required.

c. Disposal of scrap or surplus materials acquired in the performance of the grant agreement.

d. Other purposes specifically provided for in the grant agreement.

3. *Advisory councils.* Costs incurred by State advisory councils or committees established pursuant to Federal requirements to carry out grant programs are allowable. The cost of like organizations is allowable when provided for in the grant agreement.

4. *Audit service.* The cost of audits necessary for the administration and management of functions related to grant programs is allowable.

5. *Bonding.* Costs of premiums on bonds covering employees who handle grantee agency funds are allowable.

6. *Budgeting.* Costs incurred for the development, preparation, presentation, and execution of budgets are allowable. Costs for services of a central budget office are generally not allowable since these are costs of general government. However, where employees of the central budget office actively participate in the grantee agency's budget process, the cost of identifiable services is allowable.

7. *Building lease management.* The administrative cost for lease management which includes review of lease proposals, maintenance of a list of available property for lease, and related activities is allowable.

8. *Central stores.* The cost of maintaining and operating a central stores organization for supplies, equipment, and materials used either directly or indirectly for grant programs is allowable.

9. *Communications.* Communication costs incurred for telephone calls or service, telegraph, teletype service, wide area telephone service (WATS), centrex, telpak (tie lines), postage, messenger service and similar expenses are allowable.

10. *Compensation for personal services*—a. *General.* Compensation for personal services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant agreement, including but not necessarily limited to wages, salaries, and supplementary compensation and benefits (section B.13.). The costs of such compensation are allowable to the extent that total compensation for individual employees: (1) is reasonable for the services rendered, (2) follows an appointment made in accordance with State or local government laws and rules and which meets Federal merit system or other requirements, where applicable, and (3) is determined and supported as provided in b. below. Compensation for employees engaged in federally assisted activities will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the State or local government. In cases where the kinds of employees required for the federally assisted activities are not found in the other activities of the State or local government, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

b. *Payroll and distribution of time.* Amounts charged to grant programs for personal services, regardless of whether treated as direct or indirect costs, will be based on payrolls documented and approved in accordance with generally accepted practice of the State or local agency. Payrolls must be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort.

11. *Depreciation and use allowances.* a. Grantees may be compensated for the use of buildings, capital improvements, and equipment through use allowances or depreciation. Use allowances are the means of providing compensation in lieu of depreciation or other equivalent costs. However, a combination of the two methods may not be used in connection with a single class of fixed assets.

b. The computation of depreciation or use allowance will be based on acquisition cost. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used in the computation. The computation will exclude the cost or any portion of the cost of buildings and equipment donated or borne directly or indirectly by the Federal Government through charges to Federal grant programs or otherwise, irrespective of where title was originally vested or where it presently resides. In addition, the computation will also exclude the cost of land. Depreciation or a use allowance on idle or excess facilities is not allowable, except when specifically authorized by the grantor Federal agency.

c. Where the depreciation method is followed, adequate property records must be maintained, and any generally accepted method of computing depreciation may be used. However, the method of computing depreciation must be consistently applied for any specific asset or class of assets for all affected federally sponsored programs and must result in equitable charges considering the extent of the use of the assets for the benefit of such programs.

d. In lieu of depreciation, a use allowance for buildings and improvements may be computed at an annual rate not exceeding 2 percent of acquisition cost. The use allowance for equipment (excluding items properly capitalized as building cost) will be computed at an annual rate not exceeding 6⅔ percent of acquisition cost of usable equipment.

e. No depreciation or use charge may be allowed on any assets that would be considered as fully depreciated: *provided, however,* That reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

12. *Disbursing service.* The cost of disbursing grant program funds by the Treasurer or other designated officer is allowable. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including the necessary records of accountability and reconciliation of such records with related cash accounts.

13. *Employee fringe benefits.* Costs identified under a. and b. below are allowable to the extent that total compensation for employees is reasonable as defined in section B.10.

a. Employee benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, military leave, and the like, if they are: (1) provided pursuant to an approved leave system, and (2) the cost thereof is equitably allocated to all related activities, including grant programs.

b. Employee benefits in the form of employers' contribution or expenses for social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, and the like, provided such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

14. *Employee morale, health, and welfare costs.* The costs of health or first-aid clinics and/or infirmaries, recreational facilities, employees' counseling services, employee information publications, and any related expenses incurred in accordance with general State or local policy are allowable. Income generated from any of these activities will be offset against expenses.

15. *Exhibits.* Costs of exhibits relating specifically to the grant programs are allowable.

16. *Legal expenses.* The cost of legal expenses required in the administration of grant programs is allowable. Legal services furnished by the chief legal officer of a State or local government or his staff solely for the purpose of discharging his general responsibilities as legal officer are unallowable. Legal expenses for the prosecution of claims against the Federal Government are unallowable.

17. *Maintenance and repair.* Costs incurred for necessary maintenance, repair, or upkeep of property which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.

18. *Materials and supplies.* The cost of materials and supplies necessary to carry out the grant programs is allowable. Purchases made specifically for the grant program should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the grantee. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material cost.

19. *Memberships, subscriptions and professional activities*—a. *Memberships.* The cost of membership in civic, business, technical and professional organizations is allowable provided: (1) the benefit from the membership is related to the grant program, (2) the expenditure is for agency membership, (3) the cost of the membership is reasonably related to the value of the services or benefits received, and (4) the expenditure is not for membership in an organization which devotes a substantial part of its activities to influencing legislation.

b. *Reference material.* The cost of books and subscriptions to civic, business, professional, and technical periodicals is allowable when related to the grant program.

c. *Meetings and conferences.* Costs are allowable when the primary purpose of the meeting is the dissemination of technical information relating to the grant program and they are consistent with regular practices followed for other activities of the grantee.

20. *Motor pools.* The costs of a service organization which provides automobiles to user grantee agencies at a mileage or fixed rate and/or provides vehicle maintenance, inspection and repair services are allowable.

21. *Payroll preparation.* The cost of preparing payrolls and maintaining necessary related wage records is allowable.

22. *Personnel administration.* Costs for the recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for grant programs, are allowable.

23. *Printing and reproduction.* Costs for printing and reproduction services necessary for grant administration, including but not limited to forms, reports, manuals, and informational literature, are allowable. Publication costs of reports or other media relating to grant program accomplishments or results are allowable when provided for in the grant agreement.

24. *Procurement service.* The cost of procurement service, including solicitation of bids, preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for grant programs, is allowable.

25. *Taxes.* In general, taxes or payments in lieu of taxes which the grantee agency is legally required to pay are allowable.

26. *Training and education.* The cost of in-service training, customarily provided for employee development which directly or indirectly benefits grant programs, is allowable. Out-of-service training involving extended periods of time is allowable only when specifically authorized by the grantor agency.

27. *Transportation.* Costs incurred for freight, cartage, express, postage, and other transportation costs relating either to goods purchased, delivered, or moved from one location to another, are allowable.

28. *Travel.* Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business incident to a grant program. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in nonfederally sponsored activities. The difference in cost between first-class air accommodations and less-than-first-class air accommodations is unallowable except when less-than-first-class air accommodations are not reasonably available.

C. COSTS ALLOWABLE WITH APPROVAL OF GRANTOR AGENCY

1. *Automatic data processing.* The cost of data processing services to grant programs is allowable. This cost may include rental of equipment or depreciation on grantee-owned equipment. The acquisition of equipment, whether by outright purchase, rental-purchase agreement or other method of purchase, is allowable only upon specific prior approval of the grantor Federal agency as provided under the selected item for capital expenditures.

2. *Building space and related facilities.* The cost of space in privately or publicly owned buildings used for the benefit of the grant program is allowable subject to the conditions stated below. The total cost of space, whether in a privately or publicly owned building, may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality. The cost of space procured for grant program usage may not be charged to the program for periods of nonoccupancy, without authorization of the grantor Federal agency.

a. *Rental cost.* The rental cost of space in a privately owned building is allowable.

b. *Maintenance and operation.* The costs of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs, and alterations and the like, are allowable to the extent they are not otherwise included in rental or other charges for space.

c. *Rearrangements and alterations.* Cost incurred for rearrangement and alteration of facilities required specifically for the grant program or those that materially increase the value or useful life of the facilities (section C.3.) are allowable when specifically approved by the grantor agency.

d. *Depreciation and use allowances on publicly owned buildings.* These costs are allowable as provided in section B.11.

e. *Occupancy of space under rental-purchase or a lease with option-to-purchase agreement.* The cost of space procured under such arrangements is allowable when specifically approved by the Federal grantor agency.

3. *Capital expenditures.* The cost of facilities, equipment, other capital assets, and repairs which materially increase the value or useful life of capital assets is allowable when such procurement is specifically approved by the Federal grantor agency. When assets acquired with Federal grant funds are (a) sold, (b) no longer available for use in a federally sponsored program, or (c) used for purposes not authorized by the grantor agency,

the Federal grantor agency's equity in the asset will be refunded in the same proportion as Federal participation in its cost. In case any assets are traded on new items, only the net cost of the newly acquired assets is allowable.

4. *Insurance and indemnification.* a. Cost of insurance required, or approved and maintained pursuant to the grant agreement, is allowable.

b. Cost of other insurance in connection with the general conduct of activities is allowable subject to the following limitations:

(1) Types and extent and cost of coverage will be in accordance with general State or local government policy and sound business practice.

(2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the grantor agency has specifically required or approved such costs.

c. Contributions to a reserve for a self-insurance program approved by the Federal grantor agency are allowable to the extent that the type of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.

d. Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the grant agreement. However, costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage and disappearance of small hand tools which occur in the ordinary course of operations, are allowable.

e. *Indemnification* includes securing the grantee against liabilities to third persons and other losses not compensated by insurance or otherwise. The Government is obligated to indemnify the grantee only to the extent expressly provided for in the grant agreement, except as provided in d. above.

5. *Management studies.* The cost of management studies to improve the effectiveness and efficiency of grant management for ongoing programs is allowable except that the cost of studies performed by agencies other than the grantee department or outside consultants is allowable only when authorized by the Federal grantor agency.

6. *Preagreement costs.* Costs incurred prior to the effective date of the grant or contract, whether or not they would have been allowable thereunder if incurred after such date, are allowable when specifically provided for in the grant agreement.

7. *Professional services.* Cost of professional services rendered by individuals or organizations not a part of the grantee department is allowable subject to such prior authorization as may be required by the Federal grantor agency.

8. *Proposal costs.* Costs of preparing proposals on potential Federal Government grant agreements are allowable when specifically provided for in the grant agreement.

D. UNALLOWABLE COSTS

1. *Bad debts.* Any losses arising from uncollectible accounts and other claims, and related costs, are unallowable.

2. *Contingencies.* Contributions to a contingency reserve or any similar provision for unforeseen events are unallowable.

3. *Contributions and donations.* Unallowable.

4. *Entertainment.* Costs of amusements, social activities, and incidental costs relating thereto, such as meals, beverages, lodgings, rentals, transportation, and gratuities, are unallowable.

5. *Fines and penalties.* Costs resulting from violations of, or failure to comply with, Federal, State, and local laws and regulations are unallowable.

6. *Governor's expenses.* The salaries and expenses of the office of the Governor of a State or the chief executive of a political subdivision are considered a cost of general State or local government and are unallowable.

7. *Interest and other financial costs.* Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith, are unallowable except when authorized by Federal legislation.

8. *Legislative expenses.* Salaries and other expenses of the State legislature or similar local governmental bodies such as county supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction, are unallowable.

9. *Underrecovery of costs under grant agreements.* Any excess of cost over the Federal contribution under one grant agreement is unallowable under other grant agreements.

APPENDIX D

PART I—PRINCIPLES FOR DETERMINING COSTS APPLICABLE TO RESEARCH AND DEVELOPMENT UNDER GRANTS AND CONTRACTS WITH EDUCATIONAL INSTITUTIONS

A. PURPOSE AND SCOPE

1. *Objectives.* This appendix provides principles for determining the costs applicable to research and development work performed by educational institutions under grants from and contracts with the Federal Government. These principles are confined to the subject of cost determination and make no attempt to identify the circumstances or dictate the extent of agency and institutional participation in the financing of a particular research or development project. The principles are designed to provide recognition of the full allocated costs of such research work under generally accepted accounting principles. No provision for profit or other increment above cost is intended.

2. *Policy guides.* The successful application of these principles requires development of mutual understanding between representatives of universities and of the Federal Government as to their scope, implementation, and interpretation. It is recognized that—

a. The arrangements for agency and institutional participation in the financing of a research and development project are properly subject to negotiation between the agency and the institution concerned in accordance with such Government-wide criteria as may be applicable.

b. Each college and university, possessing its own unique combination of staff, facilities, and experience, should be encouraged to conduct research in a manner consonant with its own academic philosophies and institutional objectives.

c. Each institution, in the fulfillment of its obligations, should employ sound management practices.

d. The application of the principles established herein should require no significant changes in the generally accepted accounting practices of colleges and universities and standards herein provided on a consistent basis. Where wide variations exist in the treatment of a given cost item among institutions, the reasonableness and equitableness of such treatments will be fully considered during the rate negotiations and audit.

3. *Application.* The Department of Health, Education, and Welfare, will apply these principles and related policy guides in determining the costs incurred for such work under any type of research and development agreement. These principles should also be used as a guide in the pricing of fixed-price contracts or lump sum agreements.

B. DEFINITION OF TERMS

1. *Organized research* means all research activities of an institution that are separately budgeted and accounted for.

2. *Departmental research* means research activities that are not separately budgeted and accounted for. Such research work, which includes all research activities not encompassed under the term "organized research," is regarded for purposes of this document as a part of the instructional activities of the institution.

3. *Research agreement* means any valid arrangement to perform federally sponsored research, including grants, cost-reimbursement type contracts, cost-reimbursement type subcontracts, and fixed-price contracts and subcontracts for research.

4. *Other institutional activities* means all organized activities of an institution not directly related to the instruction and research functions, such as residence halls, dining halls, student hospitals, student unions, intercollegiate athletics, bookstores, faculty housing, student apartments, guest houses, chapels, theaters, public museums, and other similar activities or auxiliary enterprises. Also included under this definition is any other category of cost treated as "unallowable," provided such category of cost identifies a function or activity to which a portion of the institution's indirect costs (as defined in section E.1.) are properly allocable.

5. *Apportionment* means the process by which the indirect costs of the institution are assigned as between (a) instruction and research, and (b) other institutional activities.

6. *Allocation* means the process by which the indirect costs apportioned to instruction and research are assigned as between (a) organized research, and (b) instruction, including departmental research.

7. *Stipulated salary support* is a fixed or a stated dollar amount of the salary of professorial or other professional staff involved in the conduct of research which a Government agency agrees in advance to reimburse an educational institution as a part of sponsored research costs.

8. *Federal agency* or sponsoring agency means the Department of Health, Education, and Welfare.

C. BASIC CONSIDERATIONS

1. *Composition of total costs.* The cost of a research agreement is comprised of the allowable direct costs incident to its performance, plus the allocable portion of the allowable indirect costs of the institution, less applicable credits as described in section C.5.

2. *Factors affecting allowability of costs.* The tests of allowability of costs under these principles are: (a) they must be reasonable; (b) they must be allocable to research agreements under the standards and methods provided herein; (c) they must be accorded consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and (d) they must conform to any limitations or exclusions set forth in these principles or in the research agreement as to types or amounts of cost items.

3. *Reasonable costs.* A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefor, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are:

(a) whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the research agreement; (b) the restraints or requirements imposed by such factors as arm's-length bargaining, Federal and State laws and regulations, and research agreement terms and conditions; (c) whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Government, and the public at large; and (d) the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including Government research.

4. *Allocable costs.* a. A cost is allocable to a particular cost objective (i.e., a specific function, project, research agreement, department, or the like) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a research agreement if it is incurred solely to advance the work under the research agreement; or it benefits both the research agreement and other work of the institution in proportions that can be approximated through use of reasonable methods; or it is necessary to the overall operation of the institution and, in the light of the standards provided in this appendix is deemed to be assignable in part to organized research. Where the purchase of equipment or other capital items is specifically authorized under a research agreement, the amounts thus authorized for such purchases are allocable to the research agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

b. Any costs allocable to a particular research agreement under the standards provided in this appendix may not be shifted to other research agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the research agreement, or for other reasons of convenience.

5. *Applicable credits.* a. The term applicable credits refers to those receipt or negative expenditure types of transactions which operate to offset or reduce expense items that are allocable to research agreements as direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; sales of scrap or incidental services; and adjustments of overpayments or erroneous charges.

b. In some instances, the amounts received from the Federal Government to finance institutional activities or service operations should be treated as applicable credits. Specifically, the concept of netting such credit items against related expenditures should be applied by the institution in determining the rates or amounts to be charged to Government research for services rendered whenever the facilities or other resources used in providing such services have been financed directly, in whole or in part, by Federal funds. (See sections F.6., J.10.b., and J.37. for areas of potential application in the matter of direct Federal financing.)

6. *Costs incurred by State and local governments.* Costs incurred or paid by State or local governments in behalf of educational institutions for certain personnel benefit programs such as pension plans, FICA, and any other costs specifically disbursed in behalf of and in direct benefit to the institutions, are allowable costs of such institutions whether or not these costs are recorded in the accounting records of such institutions, subject to the following:

a. Such costs meet the requirements of sections C.1. through C.5.

b. Such costs are properly supported by cost allocation plans in accordance with Appendix C to this part.

c. Such costs are not otherwise borne directly or indirectly by the Federal Government.

D. DIRECT COSTS

1. *General.* Direct costs are those costs which can be identified specifically with a particular research project, an instructional activity or any other institutional activity or which can be directly assigned to such activities relatively easily with a high degree of accuracy.

2. *Application to research agreements.* Identifiable benefit to the research work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of research agreements. Typical transactions chargeable to a research agreement as direct costs are the compensation of employees for performance of work under the research agreement, including related staff benefit and pension plan costs to the extent that such items are consistently treated by the educational institution as direct rather than indirect costs; the costs of materials consumed or expended in the performance of such work; and other items of expense incurred for the research agreement, including extraordinary utility consumption. The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of research agreements provided such items are consistently treated by the institution as direct rather than indirect costs and are charged under a recognized method of costing or pricing designed to recover only actual costs and conforming to generally accepted cost accounting practices consistently followed by the institution.

E. INDIRECT COSTS

1. *General.* Indirect costs are those that have been incurred for common or joint objectives and therefore cannot be identified specifically with a particular research project, an instructional activity or any other institutional activity. At educational institutions such costs normally are classified under the following functional categories: general administration and general expenses; research administration expenses; operation and maintenance expenses; library expenses; and departmental administration expenses.

2. *Criteria for distribution*—a. *Base period.* A base period for distribution of indirect costs is the period during which such costs are incurred and accumulated for distribution to work performed within that period. The base period normally should coincide with the fiscal year established by the institution, but in any event the base period should be so selected as to avoid inequities in the distribution of costs.

b. *Need for cost groupings.* The overall objective of the allocation and apportionment process is to distribute the indirect costs described in section F to organized research, instruction, and other activities in reasonable proportions consistent with the nature and extent of the use of the institution's resources by research personnel, academic staff, students, and other personnel or organizations. In order to achieve this objective, it may be necessary to provide for selective distribution by establishing separate groupings of cost within one or more of the functional categories of indirect costs referred to in section E.1. In general, the cost groupings established within a functional category should constitute, in each case, a pool of those items of expense that are considered to be of like character in terms of their relative contribution to (or degree of remoteness from) the particular cost objectives to which distribution is appropriate. Cost groupings should be established considering the general guides provided in c. below. Each such pool or cost grouping should then be distributed individually to the appertaining cost objectives, using the distribution base or method most appropriate in the light of the guides set out in d. below.

c. *General considerations on cost groupings.* The extent to which separate cost groupings and selective distribution would be appropriate at an institution is a matter of judgment to be determined on a case-by-case basis. Typical situations which may warrant the establishment of two or more separate cost groups (based on account classification or analysis) within a functional category include but are not limited to the following:

(1) Where certain items or categories of expense relate solely to one of the three major divisions of the institution (instruction, organized research or other institutional activities) or to any two but not the third, such expenses should be set aside as a separate cost grouping for direct assignment or selective distribution in accordance with the guides provided in b. above and d. below.

(2) Where any types of expense ordinarily treated as general administration and general expenses or departmental administration expenses are charged to research agreements as direct costs, the similar type expenses applicable to other activities of the institution must, through separate cost groupings, be excluded from the indirect costs allocable to those research agreements and included in the direct cost of other activities for cost allocation purposes.

(3) Where it is determined that certain expenses are for the support of a service unit or facility whose output is susceptible of measurement on a workload or other quantitative basis, such expenses should be set aside as a separate cost grouping for distribution on such basis to organized research and other activities at the institution or within the department.

(4) Where organized activities (including identifiable segments of organized research as well as the activities cited in section B.4.) provide their own purchasing, personnel administration, building maintenance or similar service, the distribution of general administration and general expenses or operation and maintenance expenses to such activities should be accomplished through cost groupings which include only that portion of central indirect costs (such as for overall management) which are properly allocable to such activities.

(5) Where the institution elects to treat as indirect charges the cost of the pension plan and other staff benefits, such costs should be set aside as a separate cost grouping for selective distribution to appertaining cost objectives, including organized research.

(6) The number of separate cost groupings within a functional category should be held within practical limits, after taking into consideration the materiality of the amounts involved and the degree of precision attainable through less selective methods of distribution.

d. *Selection of distribution method.* (1) Actual conditions must be taken into account in selecting the method or base to be used in distributing to applicable cost objectives the expenses assembled under each of the individual cost groupings established as indicated under b. above. Where a distribution can be made by assignment of a cost grouping directly to the area benefited, the distribution should be made in

that manner. Where the expenses under a cost grouping are more general in nature, the distribution to appertaining cost objectives should be made through use of a selected base which will produce results that are equitable to both the Government and the institution. In general, any cost element or cost-related factor associated with the institution's work is potentially adaptable for use as a distribution base provided (a) it can readily be expressed in terms of dollars or other quantitative measure (total direct expenditures, direct salaries, manhours applied, square feet utilized, hours of usage, number of documents processed, population served, and the like); and (b) it is common to the appertaining cost objectives during the base period.

(2) Results of cost analysis studies may be used when they result in more accurate and equitable distribution of costs. Such cost analysis studies may take into consideration weighting factors, population, or space occupied if they produce equitable results. Cost analysis studies, however, should (a) be appropriately documented in sufficient detail for subsequent review by the cognizant Federal agency, (b) distribute the indirect costs to the appertaining cost objectives in accord with the relative benefits derived, (c) be conducted to fairly reflect the true conditions of the activity and to cover representative transactions for a reasonable period of time, (d) be performed specifically at the institution at which the results are to be used, and (e) be updated periodically and used consistently. Any assumptions made in the study will be sufficiently supported. The use of cost analysis studies and periodic changes in the method of cost distribution must be fully justified.

(3) The essential consideration in selection of the distribution base in each instance is that it be the one best suited for assigning the pool of costs to appertaining cost objectives in accord with the relative benefits derived; the traceable cause and effect relationship; or logic and reason, where neither benefit nor cause and effect relationship is determinable.

3. *Administration of limitations on allowances for research costs.* Research agreements may be subject to statutory or administrative policies that limit the allowance of research costs. When the maximum amount allowable under a statutory limitation or the terms of a research agreement is less than the amount otherwise reimbursable under this Appendix, the amount not recoverable under that research agreement may not be charged to other research agreements.

F. IDENTIFICATION AND ASSIGNMENT OF INDIRECT COSTS

1. *General administration and general expenses.* a. The expenses under this heading are those that have been incurred for the general executive and administrative offices of educational institutions and other expenses of a general character which do not relate solely to any major division of the institution; i.e., solely to (1) instruction, (2) organized research, or (3) other institutional activities. The general administration and general expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowances and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

b. The expenses included in this category may be apportioned and allocated on the basis of total expenditures exclusive of capital expenditures in situations where the results of the distribution made on this basis are deemed to be equitable both to the Government and the institution; otherwise the distribution of general administration and general expenses should be made through use of selected bases applied to separate cost groupings established within this category of expenses in accordance with the guides set out in section E.2.d.

2. *Research administration expenses.* a. The expenses under this heading are those that have been incurred by a separate organization or identifiable administrative unit established solely to administer the research activity, including such functions as contract administration, security, purchasing, personnel administration, and editing and publishing of research reports. They include the salaries and expenses of the head of such research organization, his assistants, and their immediate secretarial staff together with the salaries and expenses of personnel engaged in supporting activities maintained by the research organization, such as stock rooms, stenographic pools, and the like. The salaries of members of the professional staff whose appointments or assignments involve the performance of such administrative work may also be included to the extent that the portion so charged to research administration is supported as required by section J.7. The research administration expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowance and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

b. The expenses included in this category should be allocated to organized research and, where necessary, to departmental research or to any other benefiting activities on any basis reflecting the proportion fairly applicable to each. (See section E.2.d.)

3. *Operation and maintenance expenses.* a. The expenses under this heading are those that have been incurred by a central service organization or at the departmental level for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; and care of grounds and maintenance and operation of buildings and other plant facilities. The operation and maintenance expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, and charges representing use allowance and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

b. The expenses included in this category should be apportioned and allocated to applicable cost objectives in a manner consistent with the guides provided in section E.2. on a basis that gives primary emphasis to space utilization. The allocations and apportionments should be developed as follows: (1) where actual space and related cost records are available or can readily be developed and maintained without significant change in the accounting practices, the amount distributed should be based on such records; (2) where the space and related cost records maintained are not sufficient for purposes of the foregoing, a reasonable estimate of the proportion of total space assigned to the various cost objectives normally will suffice as a means for effecting distribution of the amounts of operation and maintenance expenses involved; or (3) where it can be demonstrated that an area or volume of space basis of allocation is impractical or inequitable, other bases may be used provided consideration is given to the use of facilities by research personnel and others, including students.

4. *Library expenses.* a. The expenses under this heading are those that have been incurred for the operation of the library, including the costs of books and library materials purchased for the library, less any items of library income that qualify as applicable credits under section C.5. The library expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowances and/or depreciation applicable to the buildings and equipment utilized in the performance of the functions represented thereunder. Costs incurred in the purchases of rare books (museum-type books) with no research value should not be allocated to Government-sponsored research.

b. The expenses included in this category should be allocated on the basis of population including students and other users. Where the results of the distribution made on this basis are deemed to be inequitable to the Government or the institution, the distribution should then be made on a selective basis in accordance with the guides set out in section E.2. Such selective distribution should be made through use of reasonable methods which give adequate recognition to the utilization of the library attributable to faculty, research personnel, students and others. The method used will be based on data developed periodically on the respective institution's experience for representative periods.

5. *Departmental administration expenses.* a. The expenses under this heading are those that have been incurred in academic deans' offices, academic departments and organized research units such as institutes, study centers and research centers for administrative and supporting services which benefit common or joint departmental activities or objectives. They include the salaries and expenses of deans or heads, or associate deans or heads, of colleges, schools, departments, divisions, or organized research units, and their administrative staffs together with the salaries and expenses of personnel engaged in supporting activities maintained by the department, such as stockrooms, stenographic pools, and the like, provided such supporting services cannot be directly identified with a specific research project, with an instructional activity or with any other institutional activity. The salaries of other members of the professional staff whose appointments or assignments involve the performance of such administrative work may also be included to the extent that the portion so charged to departmental administration expenses is supported as required by section J.7. The departmental administration expense category should also include the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the costs of the operation and maintenance of the physical plant, and charges representing use allowances and/or depreciation applicable to the buildings and equipment utilized in performing the functions represented thereunder.

b. The distribution of departmental administration expenses should be made through use of selected bases applied to cost groupings established within this category of expenses in accordance with the guides set out in section E.2.d.

6. *Setoff for indirect expenses otherwise provided for by the Government.* a. The items to be accumulated under this heading are the reimbursements and other receipts from the Federal Government which are used by the institution to support directly, in whole

or in part, any of the administrative or service (indirect) activities described in the foregoing (sections F.1. through F.5.). They include any amounts thus applied to such activities which may have been received pursuant to an institutional base grant or any similar contractual arrangement with the Federal Government other than a research agreement as herein defined (section B.3).

b. The sum of the items in this group shall be treated as a credit to the total indirect cost pool before it is apportioned to organized research and to other activities. Such setoff shall be made prior to the determination of the indirect cost rate or rates as provided in section G.

G. DETERMINATION AND APPLICATION OF INDIRECT COST RATE OR RATES

1. *Indirect cost pools.* a. Subject to b. below, indirect costs allocated to organized research should be treated as a common pool, and the costs in such common pool should then be distributed to individual research agreements benefiting therefrom on a single rate basis.

b. In some instances a single rate basis for use across the board on all Government research at an institution may not be appropriate, since it would not take into account those different environmental factors which may affect substantially the indirect costs applicable to a particular segment of Government research at the institution. For this purpose, a particular segment of Government research may be that performed under a single research agreement or it may consist of research under a group of research agreements performed in a common environment. The environmental factors are not limited to the physical location of the work. Other important factors are the level of the administrative support required, the nature of the facilities or other resources employed, the scientific disciplines or technical skills involved, the organizational arrangements used, or any combination thereof. Where a particular segment of Government research is performed within an environment which appears to generate a significantly different level of indirect costs, provision should be made for a separate indirect cost pool applicable to such work. The separate indirect cost pool should be developed during the course of the regular distribution process, and the separate indirect cost rate resulting therefrom should be utilized provided it is determined that (1) such indirect cost rate differs significantly from that which would have obtained under a. above, and (2) the volume of research work to which such rate would apply is material in relation to other Government research at the institution.

2. *The distribution base.* Indirect costs allocated to organized research should be distributed to applicable research agreements on the basis of direct salaries and wages. For this purpose, an indirect cost rate should be determined for each of the separate indirect cost pools developed pursuant to section G.1. The rate in each case should be stated as the percentage which the amount of the particular indirect cost pool is of the total direct salaries and wages of all research agreements identified with such pool. For the purpose of establishing an indirect cost rate, direct salaries and wages may include that portion contributed to the research by the institution for cost sharing or other purposes. Bases other than salaries and wages may be used provided it can be demonstrated that they produce more equitable results.

3. *Negotiated lump sum for indirect costs.* A negotiated fixed amount in lieu of indirect costs may be appropriate for self-contained, off-campus, or primarily subcontracted research activities where the benefits derived from an institution's indirect services cannot be readily determined. Such amount negotiated in lieu of indirect costs will be treated as an offset to total indirect expenses before apportionment to instruction, organized research, and other institutional activities. The base on which such remaining expenses are allocated should be appropriately adjusted.

4. *Predetermined fixed rates for indirect costs.* Public Law 87-638 (76 Stat. 437) authorizes the use of predetermined fixed rates in determining the indirect costs applicable under research agreements with educational institutions. The stated objectives of the law are to simplify the administration of cost-type research and development contracts (including grants) with educational institutions, to facilitate the preparation of their budgets, and to permit more expeditious closeout of such contracts when the work is completed. In view of the potential advantages offered by this procedure, consideration should be given to the negotiation of predetermined fixed rates for indirect costs in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting period.

5. *Negotiated fixed rates and carryforward provisions.* When a fixed rate is negotiated in advance for a fiscal year (or other time period), the over- or under-recovery for that year may be included as an adjustment to the indirect cost for the next rate negotiation. When the rate is negotiated before the carryforward adjustment is determined due to the delay in audit, the carryforward may be applied to the next subsequent rate negotiation. When such adjustments are to be made, each fixed rate negotiated in advance for a given period will be computed by applying the expected indirect costs allocable to Government research for the forecast period plus or minus the carryforward adjustment (over- or under-recovery) from the prior period, to the forecast distribution base. Unrecovered amounts under lump-sum agreements or cost-sharing provisions of prior years shall not be carried forward for consideration in the new rate negotiation. There must, however, be an advance understanding in each case between the institution and the cognizant Federal agency as to whether these differences will be considered in the rate negotiation rather than making the determination after the differences are known. Further, institutions electing to use this carryforward provision may not subsequently change without prior approval of the cognizant Federal agency. In the event that an institution returns to a postdetermined rate, any over- or under-recovery during the period in which negotiated fixed rates and carryforward provisions were followed will be included in the subsequent postdetermined rates. Where multiple rates are used, the same procedure will be applicable for determining each rate. This procedure also applies to rates established for grants and contracts for training and other educational services, but does not apply to cost-type research agreements covering work performed in wholly or partially Government-owned facilities.

H. SIMPLIFIED METHOD FOR SMALL INSTITUTIONS

1. *General.* a. Where the total direct cost of all federally supported work under research and educational service agreements at an institution does not exceed $1 million in a fiscal year (excluding direct payments by the institution to participants under educational service agreements for stipends, support, and similar costs requiring little, if any, indirect cost support), the use of the abbreviated procedure described in 2., below, may be used in determining allowable indirect costs. Under this abbreviated procedure, the institution's most recent annual financial report and immediately available supporting information, with salaries and wages segregated from other costs, will be utilized as a basis for determining the indirect cost rate applicable both to federally supported research and educational service agreements.

b. The rigid formula approach provided under this abbreviated procedure should not be used where it produces results which appear inequitable to the Government or the institution. In any such case, indirect costs should be determined through use of the regular procedure.

2. *Abbreviated procedure.* a. Establish the total amount of salaries and wages paid to all employees of the institution.

b. Establish an indirect cost pool consisting of the expenditures (exclusive of capital items and other costs specifically identified as unallowable) which customarily are classified under the following titles or their equivalents:

(1) General administration and general expenses (exclusive of costs of student administration and services, student aid, student activities, and scholarships).

(2) Operation and maintenance of physical plant.

(3) Library.

(4) Department administration expenses, which will be computed as 20 percent of the salaries and expenses of deans and heads of departments.

In those cases where expenditures classified under 2.b.(1) and 2.b.(2) have previously been allocated to other institutional activities, they may be included in the indirect cost pool. The total amount of salaries and wages included in the indirect cost pool must be separately identified.

c. Establish a salary and wage distribution base, determined by deducting from the total of salaries and wages as established under 2.a. the amount of salaries and wages included under 2.b.

d. Establish the indirect cost rate, determined by dividing the amount in the indirect cost pool 2.b. by the amount of the distribution base 2.c.

e. Apply the indirect cost rate established to direct salaries and wages for individual agreements to determine the amount of indirect costs allocable to such agreements.

J. GENERAL STANDARDS FOR SELECTED ITEMS OF COST

Sections J.1. through J.46. provide standards to be applied in establishing the allowability of certain items involved in determining cost. These standards should apply irrespective of whether a particular item of cost is properly treated as direct cost or indirect cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable; rather determination as to allowability in each case should be based on the treatment or standards provided for similar or related items of cost. In case of discrepancy between the provisions of a specific research agreement and the applicable standards provided, the provisions of the research agreement should govern.

1. *Advertising costs.* The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. The only advertising costs allowable are those which are solely for: (a) The recruitment of personnel required for the performance by the institution of obligations arising under the research agreement, when considered in conjunction with all other recruitment costs, as set forth in J.32.; (b) the procurement of scarce items

for the performance of the research agreement; or (c) the disposal of scrap or surplus materials acquired in the performance of the research agreement. Costs of this nature, if incurred for more than one research agreement or for both research agreement work and other work of the institution, are allowable to the extent that the principles in sections D and E are observed.

2. *Bad debts.* Any losses, whether actual or estimated arising from uncollectible accounts and other claims, related collections costs, and related legal costs, are unallowable.

3. *Capital expenditures.* The costs of equipment, buildings, and repairs which materially increase the value or useful life of buildings or equipment, are unallowable except as provided for in the research agreement. Government funds shall not be used for the acquisition of land, or any interest therein, except with the specific prior approval of the sponsoring agency.

4. *Civil defense costs.* Civil defense costs are those incurred in planning for, and the protection of life and property against, the possible effects of enemy attack. Reasonable costs of civil defense measures (including costs in excess of normal plant protection costs, first-aid training and supplies, fire-fighting training, posting of additional exit notices and directions, and other approved civil defense measures) undertaken on the institution's premises pursuant to suggestions or requirements of civil defense authorities are allowable when distributed to all activities of the institution. Capital expenditures for civil defense purposes will not be allowed, but a use allowance or depreciation may be permitted in accordance with provisions set forth in section J.10. Costs of local civil defense projects not on the institution's premises are unallowable.

5. *Commencement and convocation costs.* Costs incurred for commencements and convocations apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs.

6. *Communication costs.* Costs incurred for telephone services, local and long-distance telephone calls, telegrams, radiograms, postage and the like, are allowable.

7. *Compensation for personal services*—a. *General.* Compensation for personal services covers all remuneration paid currently or accrued to the institution for services of employees rendered during the period of performance under Government research agreements. Such remuneration includes salaries, wages, staff benefits (see section J.39.), and pension plan costs (see section J.23.). The costs of such remuneration are allowable to the extent that the total compensation to individual employees is reasonable for the services rendered and conforms to the established policy of the institution consistently applied, and provided that the charges for work performed directly on Government research agreements and for other work allocable as indirect costs to organized research are determined and supported as hereinafter provided.

b. *Payroll distribution.* Amounts charged to organized research for personal services, except stipulated salary support, regardless of whether treated as direct costs or allocated as indirect costs, will be based on institutional payrolls which have been approved and documented in accordance with generally accepted institutional practices. Support for direct and indirect allocations of personal service costs to (1) instruction, (2) organized research, and (3) indirect activities as defined in section E.1., or (4) other institutional activities as defined in section B.4., will be provided as described in c., d., e., and f., below.

c. *Stipulated salary support.* As an alternative to payroll distribution, stipulated salary support amounts may be provided in the research agreement for professorial staff, any part of whose compensation is chargeable to Government-sponsored research. Stipulated salary support may also be provided for any other professionals who are engaged part time in sponsored research and part time in other work. The stipulated salary support for an individual will be determined by the Government and the educational institution during the proposal and award process on the basis of considered judgment as to the monetary value of the contribution which the individual is expected to make to the research project. This judgment will take into account any cost sharing by the institution and such other factors as the extent of the investigator's planned participation in the project and his ability to perform as planned in the light of his other commitments. It will be necessary for those who review research proposals to obtain information on the total academic year salary of the faculty members involved; the other research projects or proposals for which salary is allocated; and any other duties they may have such as teaching assignments, administrative assignments, number of graduate students for which they are responsible, or other institutional activities. Stipulated amounts for an individual must not per se result in increasing his official salary from the institution.

d. *Direct charges for personal services under payroll distribution.* The direct cost charged to organized research for the personal services of professorial and professional staff, exclusive of those whose salaries are stipulated in the research agreement, will be based on institutional payroll systems. Such institutional payroll systems must be supported by either: (1) an adequate appointment and workload distribution system accompanied by monthly reviews performed by responsible officials and a reporting of any significant changes in workload distribution of each professor or professional staff member, or (2) a monthly after-the-fact certification system which will require the individual investigators, deans, departmental chairmen or supervisors having first-hand knowledge of the services performed on each research agreement to report the distribution of effort. Reported changes will be incorporated during the accounting period into the payroll distribution system and into the accounting records. Direct charges for salaries and wages of nonprofessionals will be supported by time and attendance and payroll distribution records.

e. *Direct charges for personal services under stipulated salaries.* The amounts stipulated for salary support will be treated as direct costs. The stipulated salary for the academic year will be prorated equally over the duration of the grant or contract period during the academic year, unless other arrangements have been made in the grant or contract instrument. No time or effort reporting will be required to support these amounts. Special provision for summer salaries, or for a particular "off period" if other than summer, will be required. The research agreements will state that any research covered by summer salary support must be carried out during the summer, not during the academic year, and at locations approved in advance in writing by the granting agency. The certification required in section K will attest to this requirement as well as all others in a given research agreement. Stipulated salary support remains fixed during the funding period of the grant or contract and will be costed at the rate described above unless there is a significant change in performance. For example, a significant change in performance would exist if the faculty member (1) was ill for an extended period, (2) took sabbatical leave to devote effort to duties unrelated to his research, or (3) was required to increase substantially his teaching assignments, administrative duties, or responsibility for more research projects. In the latter event, it will be the responsibility of the educational institution to reduce the charges to the research agreement proportionately or seek an appropriate amendment. In the case of those covered by stipulated salary support, the auditors are no longer required to review the precise accuracy of time or effort devoted to research projects. Rather, their reviews should include steps to determine on a sample basis that an institution is not reimbursed for more than 100 percent of each faculty member's salary and that the portion of each faculty member's salary charged to Government-sponsored research is reasonable in view of his university workload and other commitments. The stipulated salary method may also be agreed upon for that portion of a professional's salary that represents cost sharing by the institution.

f. *Indirect personal services costs.* Allowable indirect personal services costs will be supported by the educational institution's accounting system maintained in accordance with generally accepted institutional practices. Where a comprehensive accounting system does not exist, the institution should make periodic surveys no less frequently than annually to support the indirect personal services costs for inclusion in the overhead pool. Such supporting documentation must be retained for subsequent review by Government officials.

g. *General guidance for charging personal services.* Budget estimates on a monthly, quarterly, semester, or yearly basis do not qualify as support for charges to federally sponsored research projects and should not be used unless confirmed after the fact. Charges to research agreements may include reasonable amounts for activities contributing and intimately related to work under the agreement, such as preparing and delivering special lectures about specific aspects of the ongoing research, writing research reports and articles, participating in appropriate research seminars, consulting with colleagues and graduate students with respect to related research, and attending appropriate scientific meetings and conferences. In no case should charges be made to federally sponsored research projects for lecturing or preparing for formal courses listed in the catalog and offered for degree credit, or for committee or administrative work related to university business.

h. *Nonuniversity professional activities.* A university must not alter or waive university-wide policies and practices dealing with the permissible extent of professional services over and above those traditionally performed without extra university compensation, unless such arrangements are specifically authorized by the sponsoring agency. Where university-wide policies do not adequately define the permissible extent of consultantship or other nonuniversity activities undertaken for extra pay, the Government may require that the effort of professional staff working under research agreements be allocated as between (1) university activities, and (2) nonuniversity professional activities. If the sponsoring agency should consider the extent of nonuniversity professional effort excessive, appropriate arrangements governing compensation will be negotiated on a case-by-case basis.

i. *Salary rates for academic year.* Charges for work performed on Government research by faculty members during the academic year will be based on the individual faculty member's regular compensation for the continuous period which, under the practice of the institution concerned, constitutes the basis of his salary. Charges for work per-

formed on research agreements during all or any portion of such period would be allowable at the base salary rate. In no event will the charge to research agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period, and any extra compensation above the base salary for work on Government research during such period would be unallowable. This principle applies to all members of the faculty at an institution. Since intrauniversity consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time base salary, the principle also applies to those who function as consultants or otherwise contribute to a research agreement conducted by another faculty member of the same institution. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided such consulting arrangement is specifically provided for in the research agreement or approved in writing by the sponsoring agency.

j. *Salary rates for periods outside the academic year.* Charges for work performed by faculty members on Government research during the summer months or other periods not included in the base salary period will be determined for each faculty member at a monthly rate not in excess of that which would be applicable under his base salary and will be limited to charges made in accordance with other subsections of J.7.

k. *Salary rates for part-time faculty.* Charges for work performed on Government research by a faculty member having only part-time appointment for teaching will be determined at a rate not in excess of that for which he is regularly paid for his part-time teaching assignments. Example: An institution pays $5,000 to a faculty member for half-time teaching during the academic year. He devoted one-half of his remaining time (25 percent of his total available time) to Government research. Thus his additional compensation, chargeable by the institution to Government research agreements, would be one-half of $5,000 or $2,500.

8. *Contingency provisions.* Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable.

9. *Deans of faculty and graduate schools.* The salaries and expenses of deans of faculty and graduate schools, or their equivalents, and their staffs, are allowable.

10. *Depreciation and use allowances.* a. Institutions may be compensated for the use of buildings, capital improvements, and usable equipment on hand through use allowances or depreciation. Use allowances are the means of providing such compensation when depreciation or other equivalent costs are not considered. However, a combination of the two methods may not be used in connection with a single class of fixed assets.

b. Due consideration will be given to Government-furnished facilities utilized by the institution when computing use allowances and/or depreciation if the Government-furnished facilities are material in amount. Computation of the use allowance and/or depreciation will exclude both the cost or any portion of the cost of buildings and equipment borne by or donated by the Federal Government, irrespective of where title was originally vested or where it presently resides and, secondly, the cost of grounds. Capital expenditures for land improvements (paved areas, fences, streets, sidewalks, utility conduits, and similar improvements not already included in the cost of buildings) are allowable provided the systematic amortization of such capital expenditures has been provided, based on reasonable determinations of the probable useful lives of the individual items involved, and the share allocated to organized research is developed from the amount thus amortized for the base period involved. Amortization methods once used should not be changed for a given building or equipment unless approved in advance by the cognizant Federal agency.

c. Where the use allowance method is followed, the use allowance for buildings and improvements will be computed at an annual rate not exceeding 2 percent of acquisition cost. The use allowance for equipment will be computed at an annual rate not exceeding 6⅔ percent of acquisition cost of usable and needed equipment in those cases where the institution maintains current records with respect to such equipment on hand. Where the institution's records reflect only the cost (actual or estimated) of the original complement of equipment, the use allowance will be computed at an annual rate not exceeding 10 percent of such cost. Original complement for this purpose means the complement of equipment initially placed in buildings to perform the functions currently being performed in such buildings; however, where a permanent change in the function of a building takes place, a redetermination of the original complement of equipment may be made at that time to establish a new original complement. In those cases where no equipment records are maintained, the institution will justify a reasonable estimate of the acquisition cost of usable and needed equipment which may be used to compute the use allowance at an annual rate not exceeding 6⅔ percent of such estimate.

d. Where the depreciation method is followed, adequate property record must be maintained and periodic inventory (a statistical sampling basis is acceptable) must be taken to insure that properties for which depreciation is charged do exist and are needed. The period of useful service (service life) established in each case for usable capital assets must be determined on a realistic basis which takes into consideration such factors as type of construction, nature of the equipment used, technological developments in the particular research area, and the renewal and replacement policies followed for the individual items or classes of assets involved. Where the depreciation method is introduced for application to assets acquired in prior years, the annual charges therefrom must not exceed the amounts that would have resulted had the depreciation method been in effect from the date of acquisition of such assets.

e. Where an institution elects to go to a depreciation basis for a particular class of assets, no depreciation, rental or use charge may be allowed on any such assets that, under d. above, would be viewed as fully depreciated provided, however, that reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the actual replacement policy followed in the light of service lives used for calculating depreciation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

11. *Employee morale, health, and welfare costs and credits.* The costs of house publications, health or first-aid clinics and/or infirmaries, recreational activities, employees' counseling services, and other expenses incurred in accordance with the institution's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee-performance, are allowable. Such costs will be equitably apportioned to all activities of the institution. Income generated from any of these activities will be credited to the cost thereof unless such income has been irrevocably set over to employee welfare organizations.

12. *Entertainment costs.* Costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities, are unallowable.

13. *Equipment and other facilities.* The costs of permanent equipment or other facilities are allowable where such purchases are approved by the sponsoring agency concerned or provided for by the terms of the research agreement. Total expenditures for permanent equipment may not exceed 125 percent of the amount allotted for the permanent equipment category by the sponsoring agency (through an approved budget or other document) except with approval. The term "permanent equipment" shall mean an item of property which has an acquisition cost of $200 or more and has an expected service life of one year or more.

a. *General purpose equipment.* Approval must be obtained to acquire with Government funds any general purpose permanent equipment, i.e., any items which are usable for activities of the institution other than research, such as office equipment and furnishings, air conditioning, reproduction, or printing equipment, motor vehicles, etc., or any automatic data processing equipment.

b. *Research equipment.* Approval must be obtained to acquire with Government funds any item of permanent research equipment costing $1,000 or more.

14. *Fines and penalties.* Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the research agreement or instructions in writing from the contracting officer.

15. *Insurance and indemnification.* a. Costs of insurance required or approved, and maintained, pursuant to the research agreement, are allowable.

b. Costs of other insurance maintained by the institution in connection with the general conduct of its activities, are allowable subject to the following limitations: (1) types and extent and cost of coverage must be in accordance with sound institutional practice; (2) costs of insurance or of any contributions to any reserve covering the risk of loss of or damage to Government-owned property are unallowable except to the extent that the Government has specifically required or approved such costs; and (3) costs of insurance on the lives of officers or trustees are unallowable except where such insurance is part of an employee plan which is not unduly restricted.

c. Contributions to a reserve for an approved self-insurance program are allowable to the extent that the types of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.

d. Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the research agreement, except that costs incurred because of losses not covered under existing deductible clauses for insurance coverage provided in keeping with sound management practice as well as minor losses not covered by insurance, such as spoilage, breakage, and disappearance of

small hand tools, which occur in the ordinary course of operations, are allowable.

e. Indemnification includes securing the institution against liabilities to third persons and other losses not compensated by insurance or otherwise. The Government is obligated to indemnify the institution only to the extent expressly provided for in the research agreement, except as provided in d. above.

16. *Interest, fund raising, and investment management costs.* a. Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable.

b. Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are not allowable under Government research agreements.

c. Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are not allowable under Government research agreements.

d. Costs related to the physical custody and control of monies and securities are allowable.

17. *Labor relations costs.* Costs incurred in maintaining satisfactory relations between the institution and its employees, including costs of labor management committees, employees' publications, and other related activities, are allowable.

18. *Losses on other research agreements or contracts.* Any excess of costs over income under any other research agreement or contract of any nature is unallowable. This includes, but is not limited to, the institution's contributed portion by reason of cost-sharing agreements or any under-recoveries through negotiation of flat amounts for indirect costs.

19. *Maintenance and repair costs.* Costs incurred for necessary maintenance, repair, or upkeep of property (including Government property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life but keep it in an efficient operating condition, are allowable.

20. *Material costs.* Costs incurred for purchased materials, supplies, and fabricated parts directly or indirectly related to the research agreement, are allowable. Purchases made specifically for the research agreement should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the institution. Withdrawals from general stores or stockrooms should be charged at their cost under any recognized method of pricing stores' withdrawals conforming to sound accounting practices consistently followed by the institution. Incoming transportation charges are a proper part of material cost. Direct material cost should include only the materials and supplies actually used for the performance of the research agreement, and due credit should be given for any excess materials retained, or returned to vendors. Due credit should be given for all proceeds or value received for any scrap resulting from work under the research agreement. Where Government-donated or furnished material is used in performing the research agreement, such material will be used without charge.

21. *Memberships, subscriptions, and professional activity costs.* a. Costs of the institution's membership in civic, business, technical, and professional organizations are allowable.

b. Costs of the institution's subscriptions to civic, business, professional, and technical periodicals are allowable.

c. Costs of meetings and conferences, when the primary purpose is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, and other items incidental to such meetings or conferences.

22. *Patent costs.* Cost of preparing disclosures, reports, and other documents required by the research agreement and of searching the art to the extent necessary to make such invention disclosures, are allowable. In accordance with the clauses of the research agreement relating to patents, costs of preparing documents and any other patent costs, in connection with the filing of a patent application where title is conveyed to the Government, are allowable. (See also section J.33.)

23. *Pension plan costs.* Costs of the institution's pension plan which are incurred in accordance with the established policies of the institution are allowable, provided such policies meet the test of reasonableness and the methods of cost allocation are not discriminatory, and provided appropriate adjustments are made for credits or gains arising out of normal and abnormal employee turnover or any other contingencies that can result in forfeitures by employees which inure to the benefit of the institution.

24. *Plant security costs.* Necessary expenses incurred to comply with Government security requirements, including wages, uniforms, and equipment of personnel engaged in plant protection, are allowable.

25. *Preresearch agreement costs.* Costs incurred prior to the effective date of the research agreement, whether or not they would have been allowable thereunder if incurred after such date, are unallowable unless specifically set forth and identified in the research agreement.

26. *Professional services costs.* a. Costs of professional services rendered by the members of a particular profession who are not employees of the institution are allowable subject to b. and c. below, when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Government. Retainer fees to be allowable must be reasonably supported by evidence of services rendered.

b. Factors to be considered in determining the allowability of costs in a particular case include (1) the past pattern of such costs, particularly in the years prior to the award of Government research agreements; (2) the impact of Government research agreements on the institution's total activity; (3) the nature and scope of managerial services expected of the institution's own organizations; and (4) whether the proportion of Government work to the institution's total activity is such as to influence the institution in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Government research agreements.

c. Costs of legal, accounting, and consulting services, and related costs, incurred in connection with orgranization and reorganization or the prosecution of claims against the Government, are unallowable. Costs of legal, accounting and consulting services, and related costs, incurred in connection with patent infrigement litigation, are unallowable unless otherwise provided for in the research agreement.

27. *Profits and losses on disposition of plant, equipment, or other capital assets.* Profits or losses of any nature arising from the sale or exchange of plant, equipment, or other capital assets, including sale or exchange of either short- or long-term investments, shall not be considered in computing research agreement costs.

28. *Proposal costs.* Proposal costs are the costs of preparing bids or proposals on potential Government and nongovernment research agreements or projects, including the development of engineering data and cost data necessary to support the institution's bids or proposals. Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally should be treated as indirect costs and allocated currently to all activities of the institution, and no proposal costs of past accounting periods will be allocable in the current period to the Government research agreement. However, the institution's established practices may be to treat proposal costs by some other recognized method. Regardless of the method used, the results obtained may be accepted only if found to be reasonable and equitable.

29. *Public information services costs.* Costs of news releases pertaining to specific research or scientific accomplishment are unallowable unless specifically authorized by the sponsoring agency.

30. *Rearrangement and alteration costs.* Costs incurred for ordinary or normal rearrangement and alteration of facilities are allowable. Special arrangement and alteration costs incurred specifically for the project are allowable when such work has been approved in advance by the sponsoring agency concerned.

31. *Reconversion costs.* Costs incurred in the restoration or rehabilitation of the institution's facilities to approximately the same condition existing immediately prior to commencement of Government research agreement work, fair wear and tear excepted, are allowable.

32. *Recruiting costs.* a. Subject to b., c., and d. below, and provided that the size of the staff recruited and maintained is in keeping with workload requirements, costs of "help wanted" advertising, operating costs of an employment office necessary to secure and maintain an adequate staff, costs of operating an aptitude and educational testing program, travel costs of employees while engaged in recruiting personnel, travel costs of applicants for interviews for prospective employment, and relocation costs incurred incident to recruitment of new employees, are allowable to the extent that such costs are incurred pursuant to a well-managed recruitment program. Where the institution uses employment agencies, costs not in excess of standard commercial rates for such services are allowable.

b. In publications, costs of help-wanted advertising that includes color, includes advertising material for other than recruitment purposes, or is excessive in size (taking into consideration recruitment purposes for which intended and normal institutional practices in this respect), are unallowable.

c. Costs of help-wanted advertising, special emoluments, fringe benefits, and salary allowances incurred to attract professional personnel from other institutions that do not meet the test of reasonableness or do not conform with the established practices of the institution, are unallowable.

d. Where relocation costs incurred incident to recruitment of a new employee have been allowed either as an allocable direct or indirect cost, and the newly hired employee resigns for reasons within his control within 12 months after hire, the institution will be required to refund or credit such relocation costs to the Government.

33. *Royalties and other costs for use of patents.* Royalties on a patent or amortization of the cost of acquiring a patent or invention or rights thereto, necessary for the proper performance of the research agreement and applicable to tasks or processes thereunder, are allowable unless the Government has a license or the right to free use of the patent, the patent has been adjudicated to be invalid or has been administratively determined to be invalid, the patent is

considered to be unenforceable, or the patent has expired.

34. *Sabbatical leave costs.* Costs of leave of absence to employees for performance of graduate work or sabbatical study, travel, or research, are allowable provided the institution has a uniform policy on sabbatical leave for persons engaged in instruction and persons engaged in research. Such costs will be allocated on an equitable basis among all appertaining activities of the institution. Where sabbatical leave is included in fringe benefits for which a cost is determined for assessment as a direct charge, the aggregate amount of such assessments applicable to all work of the institution during the base period must be reasonable in relation to the institution's actual experience under its sabbatical leave policy.

35. *Scholarships and student aid costs.* Costs of scholarships, fellowships and other forms of student aid apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs. However, in the case of students actually engaged in work under research agreements, any tuition remissions to such students for work performed are allocable to such research agreements provided consistent treatment is accorded such costs. (See section J.39.)

36. *Severance pay.* a. Severance pay is compensation in addition to regular salaries and wages which is paid by an institution to employees whose services are being terminated. Costs of severance pay are allowable only to the extent that such payments are required by law, by employer-employee agreement, by established policy that constitutes in effect an implied agreement on the institution's part, or by circumstances of the particular employment.

b. Severance payments that are due to normal, recurring turnover and which otherwise meet the conditions of a. above may be allowed provided the actual costs of such severance payments are regarded as expenses applicable to the current fiscal year and are equitably distributed among the institution's activities during that period.

c. Severance payments that are due to abnormal or mass terminations are of such conjectural nature that allowability must be determined on a case-by-case basis. However, the Government recognizes its obligation to participate, to the extent of its fair share, in any specific payment.

37. *Specialized service facilities operated by institution.* a. The costs, including amortization by generally accepted accounting practice, of institutional services involving the use of highly complex and specialized facilities such as electronic computers, including the cost of adapting computers for use, wind tunnels, and reactors are allowable provided the charges therefor meet the conditions of b. or c. below, and otherwise take into account any items of income or Federal financing that qualify as applicable credits under section C.5.

b. The costs of such institutional services normally will be charged directly to applicable research agreements based on actual usage or occupancy of the facilities on the basis of a schedule of rates that (1) is designed to recover only aggregate costs of providing such services over a long term agreed upon in advance by the cognizant Federal agency on an individual basis, and (2) is applied on a nondiscriminatory basis as between organized research and other work of the institution, including usage by the institution for internal purposes. Commercial or accommodation sales of computer services will be charged at not less than the above rates; however, if the rates charged for these services are greater, the total amount of charges above the scheduled rates when significant may be considered in revising the schedule of rates. Further, within the constraints of this paragraph, it is not necessary that the rates charged for services be equal to the cost of providing those services during any one fiscal year.

c. In the absence of an acceptable arrangement for direct costing as provided in b. above, the costs incurred for such institutional services may be assigned to research agreements as indirect costs, provided the methods used achieve substantially the same results. Such arrangements should be worked out in coordination with the cognizant Federal agency in order to assure equitable distribtuion of the indirect costs.

38. *Special services costs.* Costs incurred for general public relations activities, catalogs, alumni activities, and similar services, are unallowable.

39. *Staff benefits.* a. Staff benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, military leave, and the like, are allowable provided such costs are absorbed by all institutional activities, including organized research, in proportion to the relative amount of time or effort actually devoted to each. (See section J.34. for treatment of sabbatical leave.)

b. Staff benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, the pension plan (see section J.23.), tuition or remission of tuition for individual employees or their families (see section J.35.), and the like, are allowable provided such benefits are granted in accordance with established institutional policies, and provided such contributions and other expenses, whether treated as indirect costs or as an increment of direct labor costs, are distributed to particular research agreements and other activities in a manner consistent with the pattern of benefits accruing to the individuals or groups of employees whose salaries and wages are chargeable to such research agreements and other activities.

40. *Student activity costs.* Costs incurred for intramural activities, student publications, student clubs, and other student activities, apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs.

41. *Student services costs.* Costs of the deans of students, administration of student affairs, registrar, placement offices, student advisers, student health and infirmary services, and such other activities as are identifiable with student services apply only to instruction and therefore are not allocable to research agreements, either as direct costs or indirect costs. However, in the case of students actually engaged in work under research agreements, a proportion of student services costs measured by the relationship between hours of work by students on such research work and total student hours including all research time may be allowed as a part of research administration expenses.

42. *Taxes.* a. In general, taxes which the institution is required to pay and which are paid or accrued in accordance with generally accepted accounting principles, and payments made to local governments in lieu of taxes which are commensurate with the local government services received are allowable, except for: (1) taxes from which exemptions are available to the institution directly or which are available to the institution based on an exemption afforded the Government and in the latter case when the sponsoring agency makes available the necessary exemption certificates, and (2) special assessments on land which represent capital improvements.

b. Any refund of taxes, interest, or penalties, and any payment to the institution of interest thereon, attributable to taxes, interest, or penalties which were allowed as research agreement costs, will be credited or paid to the Government in the manner directed by the Government provided any interest actually paid or credited to an institution incident to a refund of tax, interest and penalty will be paid or credited to the Government only to the extent that such interest accrued over the period during which the institution had been reimbursed by the Government for the taxes, interest, and penalties.

43. *Transportation costs.* Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items. Where identification with the materials received cannot readily be made, inbound transportation costs may be charged to the appropriate indirect cost accounts if the institution follows a consistent, equitable procedure in this respect. Outbound freight, if reimbursable under the terms of the research agreement, should be treated as a direct cost.

44. *Travel costs.* a. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the institution. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed by the institution in its regular operations.

b. Travel costs are allowable subject to c., d., e., and f. below, when they are directly attributable to specific work under a research agreement or are incurred in the normal course of administration of the institution or a department or research program thereof.

c. The difference in cost between first-class air accommodations and less than first-class air accommodations is unallowable except when less than first-class air accommodations are not reasonably available to meet necessary mission requirements, such as where less than first-class accommodations would:
(1) Require circuitous routing, (2) require travel during unreasonable hours, (3) greatly increase the duration of the flight, (4) result in additional costs which would offset the transportation savings, or (5) offer accommodations which are not reasonably adequate for the medical needs of the traveler.

d. Costs of personnel movements of a special or mass nature are allowable only when authorized or approved in writing by the sponsoring agency or its authorized representative.

e. Foreign travel costs are allowable only when the travel has received specific prior approval. Each separate foreign trip must be specifically approved. For purposes of this provision, foreign travel is defined as "any travel outside of Canada and the United States and its territories and possessions."

f. Expenditures for domestic travel may not exceed $500, or 125 percent of the amount allotted for such travel by the sponsoring agency, whichever is greater, except with approval.

45. *Termination costs applicable to research agreements.* a. Termination of research agreements generally gives rise to the incurrence of costs or to the need for special treatment of costs, which would not have arisen had the agreement not been terminated. Items peculiar to termination are set forth below. They are to be used in conjunction with all other provisions of this Appendix in the case of termination.

b. The cost of common items of material reasonably usable on the institution's other work will not be allowable unless the institution submits evidence that it could not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the institution, consideration should be given to the institution's plans and orders for current and scheduled work. Contemporaneous purchases of common items by the institution will be regarded as evidence that such items are reasonably usable on the institution's other work. Any acceptance of common items as allowable to the terminated portion of the agreement should be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

c. If in a particular case, despite all reasonable efforts by the institution, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this Appendix, except that any such costs continuing after termination due to the negligent or willful failure of the institution to discontinue such costs will be considered unacceptable.

d. Loss of useful value of special tooling, and special machinery and equipment is generally allowable, provided: (1) such special tooling, machinery, or equipment is not reasonably capable of use in the other work of the institution; (2) the interest of the Government is protected by transfer of title or by other means deemed appropriate by the contracting officer or equivalent; and (3) the loss of useful value as to any one terminated agreement is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the agreement bears to the entire terminated agreement and other Government agreements for which the special tooling, special machinery, or equipment was acquired.

e. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated agreement, less the residual value of such leases, if: (1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the agreement and such further period as may be reasonable; and (2) the institution makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the agreement, and of reasonable restoration required by the provisions of the lease.

f. Settlement expenses including the following are generally allowable: (1) accounting, legal, clerical, and similar costs reasonably necessary for the preparation and presentation to contracting officers or equivalent of settlement claims and supporting data with respect to the terminated portion of the agreement, and the termination and settlement of subagreements; and (2) reasonable costs for the storage, transportation, protection, and disposition of property provided by the Government or acquired or produced by the institution for the agreement.

g. Claims under subagreements, including the allocable portion of claims which are common to the agreement and to other work of the institution, are generally allowable.

K. *Certification of charges.* To assure that expenditures for research grants and contracts are proper and in accordance with the research agreement documents and approved project budgets, the annual and/or final fiscal reports or vouchers requesting payment under research agreements will include a certification, signed by an authorized official of the university, which reads essentially as follows: "I certify that all expenditures reported (or payments requested) are for appropriate purposes and in accordance with the agreements set forth in the application and award documents."

PART II—PRINCIPLES FOR DETERMINING COSTS APPLICABLE TO TRAINING AND OTHER EDUCATIONAL SERVICES UNDER GRANTS AND CONTRACTS WITH EDUCATIONAL INSTITUTIONS

A. *Purpose.* This part extends the scope of Part I To cover the determination of costs incurred by educational institutions under Federal grants and contracts for training and other educational services.

B. *Application.* The Department of Health, Education and Welfare will use Parts I and II of this Appendix as a basis for determining allowable costs under grants and cost reimbursement type contracts with educational institutions for work performed under federally supported education service agreements.

C. *Terminology.* The following definitions are to be used in determining the indirect cost of federally sponsored training and other educational services under this Part II:

1. *Educational service agreement* means any grant or contract under which Federal financing is provided on a cost reimbursement basis for all or an agreed portion of the costs incurred for training or other educational services. Typical of the work covered by educational service agreements are summer institutes, special training programs for selected participants, professional or technical services to cooperating countries, the development and introduction of new or expanded courses, and similar instructional oriented undertakings, including special research training programs, that are separately budgeted and accounted for by the institution.

The term does not extend to: (a) grants or contracts for organized research, (b) arrangements under which the Federal financing is exclusively in the form of scholarships, fellowships, traineeships, or other fixed amounts such as a cost of education allowance or the normal published tuition rates and fees of an institution, or (c) construction, facility and exclusively general resource or institutional-type grants.

2. *Instruction* means all of the academic work other than organized research carried on by an institution, including the teaching of graduate and undergraduate courses, departmental research (see section B.2. of Part I) and all special training or other instructional-oriented projects sponsored by the Federal Government or others under educational service agreements.

D. *Student administration and services.* In addition to the five major functional categories of indirect costs described in section F of Part I, there is established an additional category under the title "Student administration and services" to embrace the following:

1. The expenses in this category are those that have been incurred for the administration of student affairs and for services to students, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisers, student health and infirmary services, catalogs, and commencements and convocations. The salaries of members of the academic staff whose academic appointments or assignments involve the performance of such administrative or service work may also be included to the extent that the portion so charged is supported pursuant to section J.2. of Part I. The student administration and services category also includes the staff benefit and pension plan costs applicable to the salaries and wages included therein, an appropriate share of the cost of the operation and maintenance of the physical plant, and charges representing use allowance or depreciation applicable to the buildings and equipment utilized in the performance of the functions included in this category.

2. The expenses in this category are generally applicable in their entirety to the instruction activity. They should be allocated to applicable cost objectives within the instruction activity, including educational service agreements, when such agreements reasonably benefit from these expenses. Such expenses should be allocated on the basis of population served (computed on the basis of full-time equivalents including students, faculty, and others as appropriate) or other methods which will result in an equitable distribution to cost objectives in relation to the benefits received and be consistent with guides provided in section E.2. of Part I.

E. *Direct costs of educational service agreements.* Direct costs of work performed under educational service agreements will be determined consistent with the principles set forth in section D of Part I.

F. *Indirect costs of the instruction activity.* The indirect costs of the instruction activity as a whole should include its allocated share of administrative and supportive costs determined in accordance with the principles set forth in section D above and in section F of Part I. Such costs may include other items of indirect cost incurred solely for the instruction activity and not included in the general allocation of the various categories of indirect expenses. Costs incurred for the institutions by State and local governments are allowable as provided for in section C.6. of Part I.

G. *Indirect costs applicable to educational service agreements.* The individual items of indirect costs applicable to the instruction activity as a whole should be assigned to: (1) educational service agreements, and (2) all other instructional work through use of appropriate cost groupings, selected distribution bases, and other reasonable methods as outlined in section E.2. of Part I. A single indirect pool may be used for all educational service agreements provided this results in a reasonably equitable distribution of costs among agreements in relation to indirect support services provided. However, when the level of indirect support significantly varies for work performed either on campus or off campus under a particular agreement or group of agreements, separate cost pools should be established consistent with the principles set forth in section G.1.b. of Part I. Where direct charges are provided for under educational service agreements for such things as commencement fees, student fees, and tuition, the related indirect costs, through separate cost groupings, should be excluded from the indirect costs allocable to the service agreements.

H. *Indirect cost rates for educational service agreements.* An indirect cost rate should be determined for the educational service agreement pool or pools, as established under section G above. The rate in each case should be stated as the percentage which the amount of the particular educational service agreement pool is of the total direct salaries and wages of all educational service agreements identified with such pool. Indirect costs should be distributed to individual agreements by applying the rate or rates established to direct salaries and wages for each agreement. When a fixed rate is negotiated in advance of a fiscal year, the over- or under-recovery for that year may be included as an adjustment to the indirect cost for the next rate negotiation as in sections G.4. and G.5. of Part I.

I. *General standards for selected items of cost.* The standards for selected items of

cost as set forth in sections J.1. through J.46. of Part I applicable to research agreements will also be applied to educational service agreements with the following modifications:

1. *Commencement and convocation costs (J.5.).* Expenses incurred for convocations and commencements apply to the instruction activity as a whole. Such expenses are unallowable as direct costs of educational service agreements unless specifically authorized in the agreement or approved in writing by the sponsoring agency. For eligibility of allocation as indirect costs, see section D.

2. *Compensation for personal services (J.7.).* Charges to educational service agreements for personal services will normally be determined and supported consistent with the provisions of section J.7. of Part I. However, the provision for stipulated salary support will not be used for educational service agreements. Also, charges may include compensation in excess of the base salary of a faculty member for the conduct of courses outside the normal duties of such member provided that: (a) extra charges are determined at a rate not greater than the basic salary rate of the member; (b) salary payments for such work follow practices consistently applied within the institution; and (c) specific authorization for such charges is included in the educational service agreement.

3. *Scholarships and student aid costs (J.35.).* Expenses incurred for scholarships and student aid are unallowable as either direct costs or indirect costs of educational service agreements, unless specifically authorized in the educational service agreement or approved in writing by the sponsoring agency.

4. *Student activity costs (J.40.).* Expenses incurred for student activities are unallowable as either direct costs or indirect costs of educational service agreements, unless specifically authorized in the educational service agreement or approved in writing by the sponsoring agency.

5. *Student services costs (J.41.).* Expenses incurred for student services are unallowable as direct costs of educational service agreements unless specifically authorized in the agreement or approved in writing by the sponsoring agency. For eligibility of allocation as indirect costs, see section D.

APPENDIX E—PRINCIPLES FOR DETERMINING COSTS APPLICABLE TO RESEARCH AND DEVELOPMENT UNDER GRANTS AND CONTRACTS WITH HOSPITALS

I. PURPOSE AND SCOPE

A. *Objectives.* This appendix provides principles for determining the costs applicable to research and development work performed by hospitals under grants and contracts with the Department of Health, Education and Welfare. These principles are confined to the subject of cost determination and make no attempt to identify the circumstances or dictate the extent of hospital participation in the financing of a particular research or development project. The principles are designed to provide recognition of the full allocated costs of such research work under generally accepted accounting principles. These principles will be applicable to both proprietary and non-profit hospitals. No provision for profit or other increment above cost is provided for in these principles. However, this is not to be interpreted as precluding a negotiated fee between contracting parties when a fee is appropriate.

B. *Policy guides.* The successful application of these principles requires development of mutual understanding between representatives of hospitals and of the Department of Health, Education and Welfare as to their scope, applicability and interpretation. It is recognized that:

1. The arrangements for hospital participation in the financing of a research and development project are properly subject to negotiation between the agency and the hospital concerned in accordance with such Government-wide criteria as may be applicable.

2. Each hospital, possessing its own unique combination of staff, facilities and experience, should be encouraged to conduct research in a manner consonant with its own institutional philosophies and objectives.

3. Each hospital in the fulfillment of its contractual obligations should be expected to employ sound management practices.

4. The application of the principles established herein shall be in conformance with the generally accepted accounting practices of hospitals.

5. Hospitals receive reimbursements from the Federal Government for differing types of services under various programs such as support of Research and Development (including discrete clinical centers) Health Services Projects, Medicare, etc. It is essential that consistent procedures for determining reimbursable costs for similar services be employed without regard to program differences. Therefore, both the direct and indirect costs of research programs must be identified as a cost center(s) for the cost finding and step-down requirements of the Medicare program, or in its absence the Medicaid program.

C. *Application.* All operating agencies within the Department of Health, Education and Welfare that sponsor research and development work in hospitals will apply these principles and related policy guides in determining the costs incurred for such work under grants and cost-reimbursement type contracts and subcontracts. These principles will also be used as a guide in the pricing of fixed-price contracts and subcontracts.

II. DEFINITIONS OF TERMS

A. "Organized research" means all research activities of a hospital that may be identified whether the support for such research is from a federal, non-federal or internal source.

B. "Departmental research" means research activities that are not separately budgeted and accounted for. Such work, which includes all research activities not encompassed under the term organized research, is regarded for purposes of this document as a part of the patient care activities of the hospital.

C. "Research agreement" means any valid arrangement to perform federally-sponsored research or development including grants, cost-reimbursement type contracts, cost-reimbursement type sub-contracts, and fixed-price contracts and sub-contracts.

D. "Instruction and training" means the formal or informal programs of educating and training technical and professional health services personnel, primarily medical and nursing training. This activity, if separately budgeted or identifiable with specific costs, should be considered as a cost objective for purposes of indirect cost allocations and the development of patient care costs.

E. "Other hospital activities" means all organized activities of a hospital not immediately related to the patient care, research, and instructional and training functions which produce identifiable revenue from the performance of these activities. If a non-related activity does not produce identifiable revenue, it may be necessary to allocate this expense using an appropriate basis. In such a case, the activity may be included as an allocable cost (See para. III D below.) Also included under this definition is any category of cost treated as "Unallowable," provided such category of cost identifies a function or activity to which a portion of the institution's indirect cost (as defined in para. V. A.) are properly allocable.

F. "Patient care" means those departments or cost centers which render routine or ancillary services to in-patients and/or out-patients. As used in para. IX B.23, it means the cost of these services applicable to patients involved in research programs.

G. "Allocation" means the process by which the indirect costs are assigned as between:

1. Organized research,
2. Patient care including departmental research,
3. Instruction and training, and
4. Other hospital activities.

H. "Cost center" means an identifiable department or area (including research) within the hospital which has been assigned an account number in the hospital accounting system for the purpose of accumulating expense by department or area.

I. "Cost finding" is the process of recasting the data derived from the accounts ordinarily kept by a hospital to ascertain costs of the various types of services rendered. It is the determination of direct costs by specific identification and the proration of indirect costs by allocation.

J. "Step down" is a cost finding method that recognizes that services rendered by certain nonrevenue-producing departments or centers are utilized by certain other nonrevenue producing centers as well as by the revenue-producing centers. All costs of nonrevenue-producing centers are allocated to all centers which they serve, regardless of whether or not these centers produce revenue. Following the apportionment of the cost of the nonrevenue-producing center, that center will be considered closed and no further costs are apportioned to that center.

K. "Scatter bed" is a bed assigned to a research patient based on availability. Research patients occupying these beds are not physically segregated from nonresearch patients occupying beds. Scatter beds are geographically dispersed among all the beds available for use in the hospital. There are no special features attendant to a scatter bed that distinguishes it from others that could just as well have been occupied.

L. "Discrete bed" is a bed or beds that have been set aside for occupancy by research patients and are physically segregated from other hospital beds in an environment that permits an easily ascertainable allocation of costs associated with the space they occupy and the services they generate.

III. BASIC CONSIDERATIONS

A. *Composition of total costs.* The cost of a research agreement is comprised of the allowable direct costs incident to its performance plus the allocable portion of the allowable indirect costs of the hospital less applicable credits. (See para. III–E.)

B. *Factors affecting allowability of costs.* The tests of allowability of costs under these principles are:

1. They must be reasonable,
2. They must be assigned to research agreements under the standards and methods provided herein,
3. They must be accorded consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances (See para. I–B.5.) and
4. They must conform to any limitations or exclusions set forth in these principles or in the research agreement as to types or amounts of cost items.

C. *Reasonable costs.* A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount

involved therefor reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are:

1. Whether or not the cost is of a type generally recognized as necessary for the operation of the hospital or the performance of the research agreement,

2. The restraints or requirements imposed by such factors as arm's length bargaining, federal and state laws and regulations, and research agreement terms and conditions,

3. Whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the hospital, its patients, its employees, its students, the Government, and the public at large, and

4. The extent to which the actions taken with respect to the incurrence of the cost are consistent with established hospital policies and practices applicable to the work of the hospital generally, including Government research.

D. *Allocable costs.* 1. A cost is allocable to a particular cost center (i.e., a specific function, project, research agreement, department, or the like) if the goods or services involved are chargeable or assignable to such cost center in accordance with relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a research agreement if it is incurred solely to advance the work under the research agreement; or it benefits both the research agreement and other work of the hospital in proportions that can be approximated through use of reasonable methods; or it is necessary to the overall operation of the hospital and, in light of the standards provided in this chapter, is deemed to be assignable in part to organized research. Where the purchase of equipment or other capital items are specifically authorized under a research agreement, the amounts thus authorized for such purchases are allocable to the research agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

2. Any costs allocable to a particular research agreement under the standards provided in these principles may not be shifted to other research agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the research agreement, or for other reasons of convenience.

E. *Applicable credits.* 1. The term applicable credits refers to those receipts or negative expenditure types of transactions which operate to offset or reduce expense items that are allocable to research agreements as direct or indirect costs as outlined in para. V–A. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; sales of scrap or incidental services; tuition; adjustments of overpayments or erroneous charges; and services rendered to patients admitted to federally funded clinical research centers, primarily for care though also participating in research protocols.

2. In some instances, the amounts received from the Federal Government to finance hospital activities or service operations should be treated as applicable credits. Specifically, the concept of netting such credit items against related expenditures should be applied by the hospital in determining the rates or amounts to be charged to government research for services rendered whenever the facilities or other resources used in providing such services have been financed directly, in whole or in part, by federal funds. Thus, where such items are provided for or benefit a particular hospital activity, i.e., patient care, research, instruction and training, or other, they should be treated as an offset to the indirect costs apportioned to that activity. Where the benefits are common to all hospital activities they should be treated as a credit to the total indirect cost pool before allocation to the various cost objectives.

IV. DIRECT COSTS

A. *General.* Direct costs are those that can be identified specifically with a particular cost center. For this purpose, the term cost center refers not only to the ultimate centers against which costs are finally lodged such as research agreements, but also to other established cost centers such as the individual accounts for recording particular objects or items of expense, and the separate account groupings designed to record the expenses incurred by individual organizational units, functions, projects and the like. In general, the administrative functions and service activities described in para. VI are identifiable as separate cost centers, and the expenses associated with such centers become eligible in due course for distribution as indirect costs of research agreements and other ultimate cost centers.

B. *Application to research agreements.* Identifiable benefit to the research work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of research agreements. Typical of transactions chargeable to a research agreement as direct costs are the compensation of employees for the time or effort devoted to the performance of work under the research agreement, including related staff benefit and pension plan costs to the extent that such items are consistently accorded to all employees and treated by the hospital as direct rather than indirect costs (see para. V. B4b); the costs of materials consumed or expended in the performance of such work; and other items of expense incurred for the research agreement, such as extraordinary utility consumption. The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of research agreements provided such items are consistently treated by the institution as direct rather than indirect costs and are charged under a recognized method of costing or pricing designed to recover only the actual direct and indirect costs of such material or service and conforming to generally accepted cost accounting practices consistently followed by the institution.

V. INDIRECT COSTS

A. *General.* Indirect costs are those that have been incurred for common or joint objectives, and thus are not readily subject to treatment as direct costs of research agreements or other ultimate or revenue producing cost centers. In hospitals such costs normally are classified but not necessarily restricted to the following functional categories: Depreciation; Administrative and General (including fringe benefits if not charged directly); Operation of Plant; Maintenance of Plant; Laundry and Linen Service; Housekeeping; Dietary; Maintenance of Personnel; and Medical Records and Library.

B. *Criteria for distribution.*—1. *Base period.* A base period for distribution of indirect costs is the period during which such costs are incurred and accumulated for distribution to work performed within that period. The base period normally should coincide with the fiscal year established by the hospital, but in any event the base period should be so selected as to avoid inequities in the distribution of costs.

2. *Need for cost groupings.* The overall objective of the allocation process is to distribute the indirect costs described in para. VI to organized research, patient care, instruction and training, and other hospital activities in reasonable proportions consistent with the nature and extent of the use of the hospital's resources by research personnel, medical staff, patients, students, and other personnel or organizations. In order to achieve this objective with reasonable precision, it may be necessary to provide for selective distribution by establishing separate groupings of cost within one or more of the functional categories of indirect costs referred to in para. V–A. In general, the cost groupings established within a functional category should constitute, in each case, a pool of those items of expense that are considered to be of like character in terms of their relative contribution to (or degree of remoteness from) the particular cost centers to which distribution is appropriate. Each such pool or cost grouping should then be distributed individually to the related cost centers, using the distribution base or method most appropriate in the light of the guides set out in B3 below. While this paragraph places primary emphasis on a step-down method of indirect cost computation, para. VIII provides an alternate method which may be used under certain conditions.

3. *Selection of distribution method.* Actual conditions must be taken into account in selecting the method or base to be used in distributing to related cost centers the expenses assembled under each of the individual cost groups established as indicated under B2 above. Where a distribution can be made by assignment of a cost grouping directly to the area benefited, the distribution should be made in that manner. Care should be given, however, to eliminate similar or duplicative costs from any other distribution made to this area. Where the expenses under a cost grouping are more general in nature, the distribution to related cost centers should be made through use of a selected base which will produce results which are equitable to both the Government and the hospital. In general, any cost element or cost-related factor associated with the hospital's work is potentially adaptable for use as a distribution base provided:

a. It can readily be expressed in terms of dollars or other quantitative measure (total direct expenditures, direct salaries, manhours applied, square feet utilized, hours of usage, number of documents processed, population served, and the like); and

b. It is common to the related cost centers during the base period. The essential consideration in selection of the distribution base in each instance is that it be the one best suited for assigning the pool of costs to related cost centers in accord with the relative benefits derived; the traceable cause and effect relationship; or logic and reason, where neither benefit nor cause and effect relationship is determinable.

4. *General consideration on cost groupings.* The extent to which separate cost groupings and selective distribution would be appropriate at a hospital is a matter of judgment to be determined on a case-by-case basis. Typical situations which may warrant the establishment of two or more separate cost groups (based on account classification or analysis) within a functional category include but are not limited to the following:

a. Where certain items or categories of expense relate solely to one of the major divisions of the hospital (patient care, sponsored research, instruction and training, or other hospital activities) or to any two but not all, such expenses should be set aside as a separate cost grouping for direct assignment or selective distribution in accordance with the guides provided in B2 and B3 above.

b. Where any types of expense ordinary treated as indirect cost as outlined in para. V–A are charged to research agreements as direct costs, the similar type expenses applicable to other activities of the institution must through separate cost grouping be excluded from the indirect costs allocable to research agreements.

c. Where it is determined that certain expenses are for the support of a service unit or facility whose output is susceptible of measurement on a workload or other quantitative basis, such expenses should be set aside as a separate cost grouping for distribution on such basis to organized research and other hospital activities.

d. Where organized activities (including identifiable segments of organized research as well as the activities cited in para. II–E) provide their own purchasing, personnel administration, building maintenance, or housekeeping or similar service, the distribution of such elements of indirect cost to such activities should be accomplished through cost grouping which includes only that portion of central indirect costs (such as for overall management) which are properly allocable to such activities.

e. Where the hospital elects to treat as indirect charges the costs of pension plans and other staff benefits, such costs should be set aside as a separate cost grouping for selective distribution to related cost centers, including organized research.

f. Where the hospital is affiliated with a medical school or some other institution which performs organized research on the hospital's premises, every effort should be made to establish separate cost groupings in the Administrative and General or other applicable category which will reasonably reflect the use of services and facilities by such research. (See also para. VII–A.3)

5. *Materiality.* Where it is determined that the use of separate cost groupings and selective distribution are necessary to produce equitable results, the number of such separate cost groupings within a functional category should be held within practical limits, after taking into consideration the materiality of the amounts involved and the degree of precision attainable through less selective methods of distribution.

C. *Administration of limitations on allowances for indirect costs.* 1. Research grants may be subject to laws and/or administrative regulations that limit the allowance for indirect costs under each such grant to a stated percentage of the direct costs allowed. Agencies that sponsor such grants will establish procedures which will assure that:

a. the terms and amount authorized in each case conform with the provisions of paragraphs III, V and IX of these principles as they apply to matters involving the consistent treatment and allowability of individual items of cost; and

b. the amount actually allowed for indirect costs under each such research grant does not exceed the maximum allowable under the limitation or the amount otherwise allowable under these principles, whichever is the smaller.

2. Where the actual allowance for indirect costs on any research grant must be restricted to the smaller of the two alternative amounts refefred to in C1 above, such alternative amounts should be determined in accordance with the following guides:

a. The maximum allowable under the limitation should be established by applying the stated percentage to a direct cost base which shall include all items of expenditure authorized by the sponsoring agency for inclusion as part of the total cost for the direct benefit of the work under the grant; and

b. The amount otherwise allowable under these principles should be established by applying the current institutional indirect cost rate to those elements of direct cost which were included in the base on which the rate was computed.

3. When the maximum amount allowable under a statutory limitation or the terms of a research agreement is less than the amount otherwise allocable as indirect costs under these principles, the amount not recoverable as indirect costs under the research agreement involved may not be shifted to other research agreements.

VI. IDENTIFICATION AND ASSIGNMENT OF INDIRECT COSTS

A. *Depreciation or use charge.* 1. The expenses under this heading should include depreciation (as defined in para. IX–B.9a) on buildings, fixed equipment, and movable equipment, except to the extent purchased through federal funds. Where adequate records for the recording of depreciation are not available, a use charge may be substituted for depreciation (See para. IX–B.)

2. The expenses included in this category should be allocated to applicable cost centers in a manner consistent with the guides set forth in para. V–B. on a basis that gives primary emphasis to (a) space utilization with respect to depreciation on buildings and fixed equipment; and (b) specific identification of assets and their use with respect to movable equipment as it relates to patient care, organized research, instruction and training, and other hospital activities. Where such records are not sufficient for the purpose of the foregoing, reasonable estimates will suffice as a means for effecting distribution of the amounts involved.

B. *Administration and general expenses.* 1. The expenses under this heading are those that have been incurred for the administrative offices of the hospital including accounting, personnel, purchasing, information centers, telephone expense, and the like which do not relate solely to any major division of the institution, i.e., solely to patient care, organized research, instruction and training, or other hospital activities.

2. The expenses included in this category may be allocated on the basis of total expenditures exclusive of capital expenditures, or salaries and wages in situations where the results of the distribution made on this basis are deemed to be equitable both to the Government and the hospital; otherwise the distribution of Administration and General expenses should be made through use of selected bases, applied to separate cost groupings established within this category of expenses in accordance with the guides set out in para. V–B.

C. *Operation of plant.* 1. The expenses under this heading are those that have been incurred by a central service organization or at the departmental level for the administration, supervision, and provision of utilities (exclusive of telephone expense) and protective services to the physical plant. They include expenses incurred for such items as power plant operations, general utility costs, elevator operations, protection services, and general parking lots.

2. The expenses included in this category should be allocated to applicable cost centers in a manner consistent with the guides provided in para. V–B. on a basis that gives primary emphasis to space utilization. The allocations should be developed as follows:

a. Where actual space and related cost records are available or can readily be developed and maintained without significant change in the accounting practices, the amount distributed should be based on such records;

b. Where the space and related cost records maintained are not sufficient for purposes of the foregoing, a reasonable estimate of the proportion of total space assigned to the various costs centers normally will suffice as a means for effecting distribution of the amounts involved; or

c. Where it can be demonstrated that an area or volume or space basis of allocation is impractical or inequitable, other bases may be used provided consideration is given to the use of facilities by research personnel and others, including patients.

D. *Maintenance of plant.* 1. The expenses under this heading should include:

a. All salaries and wages pertaining to ordinary repair and maintenance work performed by employees on the payroll of the hospital;

b. All supplies and parts used in the ordinary repairing and maintaining of buildings and general equipment; and

c. Amounts paid to outside concerns for the ordinary repairing and maintaining of buildings and general equipment.

2. The expenses included in this category should be allocated to applicable cost centers in a manner consistent with the guides provided in para. V–B. on a basis that gives primary emphasis to space utilization. The allocations and apportionments should be developed as follows:

a. Where actual space and related cost records are available and can readily be developed and maintained without significant change in the accounting practices, the amount distributed should be based on such records;

b. Where the space and related cost records maintained are not sufficient for purposes of the foregoing, a reasonable estimate of the proportion of total space assigned to the various cost centers normally will suffice as a means for effecting distribution of the amounts involved; or

c. Where it can be demonstrated that an area or volume of space basis of allocation is impractical or inequitable, other basis may be used provided consideration is given to the use of facilities by research personnel and others, including patients.

E. *Laundry and linen.* 1. The expenses under this heading should include:

a. Salaries and wages of laundry department employees, seamstresses, clean linen handlers, linen delivery men, etc.;

b. Supplies used in connection with the laundry operation and all linens purchased; and

c. Amounts paid to outside concerns for purchased laundry and/or linen service.

2. The expense included in this category should be allocated to related cost centers in a manner consistent with the guides provided in para. V–B. on a basis that gives primary emphasis to actual pounds of linen used. The allocations should be developed as follows:

a. Where actual poundage and related cost records are available or can readily be develop and maintained without significant change in the accounting practices, the amount distributed should be based on such records;

b. Where it can be demonstrated that a poundage basis of allocation is impractical or inequitable other bases may be used provided consideration is given to the use of linen by research personnel and others, including patients.

F. *Housekeeping.* 1. The expenses under this heading should include:

a. All salaries and wages of the department head, foreman, maids, porters, janitors, wall washers, and other housekeeping employees;

b. All supplies used in carrying out the housekeeping functions; and

c. Amounts paid to outside concerns for purchased services such as window washing, insect extermination, etc.

2. The expenses included in this category should be allocated to related cost centers in a manner consistent with the guides pro-

vided in para. V–B. on a basis that gives primary emphasis to space actually serviced by the housekeeping department. The allocations and apportionments should be developed as follows:

a. Where actual space serviced and related cost records are available or can readily be developed and maintained without significant change in the accounting practices, the amount distributed should be based on such records;

b. Where the space serviced and related cost records maintained are not sufficient for purposes of the foregoing, a reasonable estimate of the proportion of total space assigned to the various cost centers normally will suffice as a means for effecting distribution of the amounts of housekeeping expenses involved; or

c. Where it can be demonstrated that the space serviced basis of allocation is impractical or inequitable, other bases may be used provided consideration is given to the use of housekeeping services by research personnel and others, including patients.

G. *Dietary.* 1. These expenses, as used herein, shall mean only the subsidy provided by the hospital to its employees including research personnel through its cafeteria operation. The hospital must be able to demonstrate through the use of proper cost accounting techniques that the cafeteria operates at a loss to the benefit of employees.

2. The reasonable operating loss of a subsidized cafeteria operation should be allocated to related cost centers in a manner consistent with the guides provided in para. V–B. on a basis that gives primary emphasis to number of employees.

H. *Maintenance (housing) of personnel.* 1. The expenses under this heading should include:

a. The salaries and wages of matrons, clerks, and other employees engaged in work in nurses' residences and other employees' quarters;

b. All supplies used in connection with the operation of such dormitories; and

c. Payments to outside agencies for the rental of houses, apartments, or rooms used by hospital personnel.

2. The expenses included in this category should be allocated to related cost centers in a manner consistent with the guides provided in para. V–B. on a basis that gives primary emphasis to employee utilization of housing facilities. The allocation should be developed as follows:

a. Appropriate credit should be given for all payments received from employees or otherwise to reduce the expense to be allocated;

b. A net cost per housed employee may then be computed; and

c. Allocation should be made on a departmental basis based on the number of housed employees in each respective department.

I. *Medical records and library.* 1. The expenses under this heading should include:

a. The salaries and wages of the records librarian, medical librarian, clerks, stenographers, etc.; and

b. All supplies such as medical record forms, chart covers, filing supplies, stationery, medical library books, periodicals, etc.

2. The expenses included in this category should be allocated to related cost centers in a manner consistent with the guides provided in para. V–B. on a basis that gives primary emphasis to a special time survey of medical records personnel. If this appears to be impractical or inequitable, other bases may be used provided consideration is given to the use of these facilities by research personnel and others, including patients.

VII. DETERMINATION AND APPLICATION OF INDIRECT COST RATE OR RATES

A. *Indirect cost pools.* 1. Subject to (2) below, indirect costs allocated to organized research should be treated as a common pool, and the costs in such common pool should be distributed to individual research agreements benefiting therefrom on a single rate basis.

2. In some instances a single rate basis for use on all government research at a hospital may not be appropriate since it would not take into account those different environmental factors which may affect substantially the indirect costs applicable to a particular segment of government research at the institution. For this purpose, a particular segment of government research may be that performed under a single research agreement or it may consist of research under a group of research agreements performed in a common environment. The environmental factors are not limited to the physical location of the work. Other important factors are the level of the administrative support required, the nature of the facilities or other resources employed, the scientific disciplines or technical skills involved, the organizational arrangements used, or any combination thereof. Where a particular segment of government research is performed within an environment which appears to generate a significantly different level of indirect costs, provision should be made for a separate indirect cost pool applicable to such work. An example of this differential may be in the development of a separate indirect cost pool for a clinical research center grant. The separate indirect cost pool should be developed during the course of the regular distribution process, and the separate indirect cost rate resulting therefrom should be utilized provided it is determined that:

a. Such indirect cost rate differs significantly from that which would have obtained under (1) above; and

b. The volume of research work to which such rate would apply is material in relation to other government research at the institution.

3. It is a common practice for grants or contracts awarded to other institutions, typically University Schools of Medicine, to be performed on hospital premises. In these cases the hospital should develop a separate indirect cost pool applicable to the work under such grants or contracts. This pool should be developed by a selective distribution of only those indirect cost categories which benefit the work performed by the other institution, within the practical limits dictated by available data and the materiality of the amounts involved. Hospital costs determined to be allocable to grants or contracts awarded to another institution may not be recovered as a cost of grants or contracts awarded directly to the hospital.

B. *The distribution base.* Preferably, indirect costs allocated to organized research should be distributed to applicable research agreements on the basis of direct salaries and wages. However, where the use of salaries and wages results in an inequitable allocation of costs to the research agreements, total direct costs or a variation thereof, may be used in lieu of salaries and wages. Regardless of the base used, an indirect cost rate should be determined for each of the separate indirect cost pools developed pursuant to para. VII–A. The rate in each case should be stated as the percentage which the amount of the particular indirect cost pool is of the total direct salaries and wages (or other base selected) for all research agreements identified with such a pool.

C. *Negotiated lump sum for overhead.* A negotiated fixed amount in lieu of indirect costs may be appropriate for self-contained or off-campus research activities where the benefits derived from a hospital's indirect services cannot be readily determined. Such amount negotiated in lieu of indirect costs will be treated as an offset to the appropriate indirect cost pool after allocation to patient care, organized research, instruction and training, and other hospital activities. The base on which such remaining expenses are allocated should be appropriately adjusted.

D. *Predetermined overhead rates.* The utilization of predetermined fixed overhead rates may offer potential advantages in the administration of research agreements by facilitating the preparation of research budgets and permitting more expeditious close out of the agreements when the work is completed. Therefore, to the extent allowed by law, consideration may be given to the negotiation of predetermined fixed rates in those situations where the cost experience and other pertinent factors available are deemed sufficient to enable the Government and the hospital to reach a reasonable conclusion as to the probable level of the indirect cost rate for the ensuing accounting period.

VIII. SIMPLIFIED METHOD FOR SMALL INSTITUTIONS

A. *General* 1. Where the total direct cost of all government-sponsored research and development work at a hospital in a year is minimal, the use of the abbreviated procedure described in para. VIII–B below may be acceptable in the determination of allowable indirect costs. This method may also be used to initially determine a provisional indirect cost rate for hospitals that have not previously established a rate. Under this abbreviated procedure, data taken directly from the institution's most recent annual financial report and immediately available supporting information will be utilized as a basis for determining the indirect cost rate applicable to research agreements at the institution.

2. The rigid formula approach provided under the abbreviated procedure has limitations which may preclude its use at some hospitals either because the minimum data required for this purpose are not readily available or because the application of the abbreviated procedure to the available data produces results which appear inequitable to the Government or the hospital. In any such case, indirect costs should be determined through use of the regular procedure rather than the abbreviated procedure.

3. In certain instances where the total direct cost of all government-sponsored research and development work at the hospital is more than minimal, the abbreviated procedure may be used if prior permission is obtained. This alternative will be granted only in those cases where it can be demonstrated that the step-down technique cannot be followed.

B. *Abbreviated procedure.* 1. Total expenditures as taken from the most recent annual financial report will be adjusted by eliminating from further consideration expenditures for capital items as defined in para. IX–B.4 and unallowable costs as defined under various headings in para. IX and para. III–E.

2. Total expenditures as adjusted under the foregoing will then be distributed among (a) expenditures applicable to administrative and general overhead functions, (b) expenditures applicable to all other overhead functions, and (c) expenditures for all other purposes. The first group shall include

amounts associated with the functional categories, Administration and General, and Dietary, as defined in para. VI. The second group shall include Depreciation, Operation of Plant, Maintenance of Plant, and Housekeeping. The third group—expenditures for all other purposes—shall include the amounts applicable to all other activities, namely, patient care, organized research, instruction and training, and other hospital activities as defined under para. II–E. For the purposes of this section, the functional categories of Laundry and Linen, Maintenance of Personnel, and Medical Records and Library as defined in para. VI shall be considered as expenditures for all other purposes.

3. The expenditures distributed to the first two groups in para. VIII–B.2 should then be adjusted by those receipts or negative expenditure types of transactions which tend to reduce expense items allocable to research agreements as indirect costs. Examples of such receipts or negative expenditures are itemized in para. III–E.1.

4. In applying the procedures in para. VIII–B.1 and B.2., the cost of unallowable activities such as Gift Shop, Investment Property Management, Fund Raising, and Public Relations, when they benefit from the hospital's indirect cost services, should be treated as expenditures for all other purposes. Such activities are presumed to benefit from the hospital's indirect cost services when they include salaries of personnel working in the hospital. When they do not include such salaries, they should be eliminated from the indirect cost rate computation.

5. The indirect cost rate will then be computed in two stages. The first stage requires the computation of an Administrative and General rate component. This is done by applying a ratio of research direct costs over total direct costs to the Administrative and General pool developed under para. VIII–B.2 and B.3. above. The resultant amount—that which is allocable to research—is divided by the direct research cost base. The second stage requires the computation of an All other Indirect Cost rate component. This is done by applying a ratio of research direct space over total direct space to All Other Indirect Cost pool developed under para. VIII B.2. and B.3 above. The resultant amount—that which is allocable to research—is divided by the direct research cost base.

The total of the two rate components will be the institution's indirect cost rate. For the purposes of this section, the research direct cost or space and total direct cost or space will be that cost or space identified with the functional categories classified under Expenditures for all other purposes under para. VIII–B.2.

IX. GENERAL STANDARDS FOR SELECTED ITEMS OF COST

A. *General.* This section provides standards to be applied in establishing the allowability of certain items involved in determining cost. These standards should apply irrespective of whether a particular item of cost is properly treated as direct cost or indirect cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment or standards provided for similar or related items of cost. In case of discrepancy between the provisions of a specific research agreement and the applicable standards provided, the provisions of the research agreement should govern. However, in some cases advance understandings should be reach on particular cost items in order that the full costs of research be supported. The extent of allowability of the selected items of cost covered in this section has been stated to apply broadly to many accounting system in varying environmental situations. Thus, as to any given research agreement, the reasonableness and allocability of certain items of costs may be difficult to determine, particularly in connection with hospitals which have medical school or other affiliations. In order to avoid possible subsequent disallowance or dispute based on unreasonableness or nonallocability, it is important that prospective recipients of federal funds particularly those whose work is predominantly or substantially with the Government, seek agreement with the Government in advance of the incurrence of special or unusual costs in categories where reasonableness or allocability are difficult to determine. Such agreement may also be initiated by the Government. Any such agreement should be incorporated in the research agreement itself. However, the absence of such an advance agreement on any element of cost will not in itself serve to make that element either allowable or unallowable. Examples of costs on which advance agreements may be particularly important are:

1. Facilities costs, such as;
   a. Depreciation
   b. Rental
   c. Use charges for fully depreciated assets
   d. Idle facilities and idle capacity
   e. Plant reconversion
   f. Extraordinary or deferred maintenance and repair
   g. Acquisition of automatic data processing equipment.
2. Preaward costs
3. Non-hospital professional activities
4. Self-insurance
5. Support services charged directly (computer services, printing and duplicating services, etc.)
6. Employee compensation, travel, and other personnel costs, including;
   a. Compensation for personal service, including wages and salaries, bonuses and incentives, premium payments, pay for time not worked, and supplementary compensation and benefits, such as pension and retirement, group insurance, severance pay plans, and other forms of compensation
   b. Morale, health, welfare, and food service and dormitory costs
   c. Training and education costs
   d. Relocation costs, including special or mass personnel movement

B. *Selected items.*—1. *Advertising costs.* The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. The only advertising costs allowable are those which are solely for;

a. The recruitment of persons required for the performance by the institution of obligations arising under the research agreement, when considered in conjunction with all other recruitment costs as set forth in para IX–B.34

b. The procurement of scarce items for the performance of the research agreement; or

c. The disposal of scrap or surplus materials acquired in the performance of the research agreement.

Costs of this nature, if incurred for more than one research agreement or for both research agreement work and other work of the institution, are allowable to the extent that the principles in paragraph IV and V are observed.

2. *Bad debts.* Losses arising from uncollectible accounts and other claims and related collection and legal costs are unallowable except that a bad debt may be included as a direct cost of the research agreement to the extent that it is caused by a research patient and approved by the awarding agency. This inclusion is only intended to cover the situation of the patient admitted for research purposes who subsequently or in conjunction with the research receives clinical care for which a charge is made to the patient. If, after exhausting all means of collecting these charges, a bad debt results, it may be considered an appropriate charge to the research agreement.

3. *Bonding costs.* a. Bonding costs arise when the Government requires assurance against financial loss to itself or others by reason of the act or default of the hospital. They arise also in instances where the hospital requires similar assurance.

Included are such types as bid, performance, payment, advance payment, infringement, and fidelity bonds.

b. Costs of bonding required pursuant to the terms of the research agreement are allowable.

c. Costs of bonding required by the hospital in the general conduct of its business are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

4. *Capital expenditures.* The costs of equipment, buildings, and repairs which materially increase the value or useful life of buildings or equipment should be capitalized and are unallowable except as provided for in the research agreement.

5. *Civil defense costs.* Civil defense costs are those incurred in planning for, and the protection of life and property against the possible effects of enemy attack. Reasonable costs of civil defense measures (including costs in excess of normal plant protection costs, first-aid training and supplies, firefighting training, posting of additional exit notices and directions, and other approved civil defense measures) undertaken on the institution's premises pursuant to suggestions or requirements of civil defense authorities are allowable when distributed to all activities of the institution. Capital expenditures for civil defense purposes will not be allowed, but a use allowance or depreciation may be permitted in accordance with provisions set forth elsewhere. Costs of local civil defense projects not on the institution's premises are unallowable.

6. *Communication costs.* Costs incurred for telephone services, local and long distance telephone calls, telegrams, radiograms, postage, and the like are allowable.

7. *Compensation for personal services.*—a. *General.* Compensation for personal services covers all remuneration paid currently or accrued to employees of the hospital for services rendered during the period of performance under government research agreements. Such remuneration includes salaries, wages, staff benefits (see para. IX–B.10), and pension plan costs (see para. IX–B.25). The costs of such remuneration are allowable to the extent that the total compensation to individual employees is reasonable for the services rendered and conforms to the established policy of the institution consistently applied, and provided that the charges for work performed directly on government research agreements and for other work allocable as indirect costs to sponsored research are determined and supported as hereinafter provided. For non-profit, nonproprietary institutions, where federally supported programs constitute less than a preponderance of the activity at the institution the primary test of reasonableness will be to require that the institution's compensation policies be applied consistently both to federally-sponsored and non-sponsored activities alike. However, where special circumstances so dictate a contractual clause may be utilized which calls for application of

the test of comparability in determining the reasonableness of compensation.

b. *Payroll distribution.* Amounts charged to organized research for personal services, regardless of whether treated as direct costs or allocated as indirect costs, will be based on hospital payrolls which have been approved and documented in accordance with generally accepted hospital practices. In order to develop necessary direct and indirect allocations of cost, supplementary data on time or effort as provided in (c) below, normally need be required only for individuals whose compensation is properly chargeable to two or more research agreements or to two or more of the following broad functional categories: (1) patient care; (2) organized research; (3) instruction and training; (4) indirect activities as defined in para. V–A; or (5) other hospital activities as defined in para. II–E.

c. *Reporting time or effort.* Charges for salaries and wages of individuals other than members of the professional staff will be supported by daily time and attendance and payroll distribution records. For members of the professional staff, current and reasonable estimates of the percentage distribution of their total effort may be used as support in the absence of actual time records. The term professional staff for purposes of this section includes physicians, research associates, and other personnel performing work at responsible levels of activities. These personnel normally fulfill duties, the competent performance of which usually requires persons possessing degrees from accredited institutions of higher learning and/or state licensure. In order to qualify as current and reasonable, estimates must be made no later than one month (though not necessarily a calendar month) after the month in which the services were performed.

d. *Preparation of estimates of effort.* Where required under (c) above, estimates of effort spent by a member of the professional staff on each research agreement should be prepared by the individual who performed the services or by a responsible individual such as a department head or supervisor having first-hand knowledge of the services performed on each research agreement. Estimates must show the allocation of effort between organized research and all other hospital activities in terms of the percentage of total effort devoted to each of the broad functional categories referred to in (b) above. The estimate of effort spent on a research agreement may include a reasonable amount of time spent in activities contributing and intimately related to work under the agreement, such as preparing and delivering special lectures about specific aspects of the ongoing research, writing research reports and articles, participating in appropriate research seminars, consulting with colleagues with respect to related research, and attending appropriate scientific meetings and conferences. The term "all other hospital activities" would include departmental research, administration, committee work, and public services undertaken on behalf of the hospital.

e. *Application of budget estimates.* Estimates determined before the performance of services, such as budget estimates on a monthly, quarterly, or yearly basis do not qualify as estimates of effort spent.

f. *Non-hospital professional activities.* A hospital must not alter or waive hospital-wide policies and practices dealing with the permissible extent of professional services over and above those traditionally performed without extra hospital compensation, unless such arrangements are specifically authorized by the sponsoring agency. Where hospital-wide policies do not adequately define the permissible extent of consultantships or other non-hospital activities undertaken for extra pay, the Government may require that the effort of professional staff working under research agreements be allocated as between (1) hospital activities, and (2) non-hospital professional activities. If the sponsoring agency should consider the extent of non-hospital professional effort excessive, appropriate arrangements governing compensation will be negotiated on a case by case basis.

g. *Salary rates for part-time appointments.* Charges for work performed on government research by staff members having only part-time appointments will be determined at a rate not in excess of that for which he is regularly paid for his part-time staff assignment.

8. *Contingency provisions.* Contributions to a contingency reserve or any similar provisions made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable.

9. *Depreciation and use allowances.* a. Hospitals may be compensated for the use of buildings, capital improvements and usable equipment on hand through depreciation or use allowances. Depreciation is a charge to current operations which distributes the cost of a tangible capital asset, less estimated residual value, over the estimated useful life of the asset in a systematic and logical manner. It does not involve a process of valuation. Useful life has reference to the prospective period of economic usefulness in the particular hospital's operations as distinguished from physical life. Use allowances are the means of allowing compensation when depreciation or other equivalent costs are not considered.

b. Due consideration will be given to government-furnished research facilities utilized by the institution when computing use allowances and/or depreciation if the government-furnished research facilities are material in amount. Computation of the use allowance and/or depreciation will exclude both the cost or any portion of the cost of grounds, buildings and equipment borne by or donated by the Federal Government, irrespective of where title was originally vested or where it presently resides, and secondly, the cost of grounds. Capital expenditures for land improvements (paved areas, fences, streets, sidewalks, utility conduits, and similar improvements not already included in the cost of buildings) are allowable provided the systematic amortization of such capital expenditures has been provided in the institution's books of account, based on reasonable determinations of the probable useful lives of the individual items involved, and the share allocated to organized research is developed from the amount thus amortized for the base period involved.

c. Normal depreciation on a hospital's plant, equipment, and other capital facilities, except as excluded by (d) below, is an allowable element of research cost provided that the amount thereof is computed:

1. Upon the property cost basis used by the hospital for Federal Income Tax purposes (See section 167 of the Internal Revenue Code of 1954); or

2. In the case of non-profit or tax exempt organizations, upon a property cost basis which could have been used by the hospital for Federal Income Tax purposes, had such hospital been subject to the payment of income tax; and in either case

3. By the consistent application to the assets concerned of any generally accepted accounting method, and subject to the limitations of the Internal Revenue Code of 1954 as amended, including—

i. The straight line method;

ii. The declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in (1) above;

iii. The sum of the years-digits method; and

iv. Any other consistent method productive of an annual allowance which, when added to all allowances for the period commencing with the use of the property and including the current year, does not during the first two-thirds of the useful life of the property exceed the total of such allowances which would have been used had such allowances been computed under the method described in (ii) above.

d. Where the depreciation method is followed, adequate property records must be maintained. The period of useful service (service life) established in each case for usable capital assets must be determined on a realistic basis which takes into consideration such factors as type of construction, nature of the equipment used, technological developments in the particular research area, and the renewal and replacement policies followed for the individual items or classes of assets involved. Where the depreciation method is introduced for application to assets acquired in prior years, the annual charges therefrom must not exceed the amounts that would have resulted had the depreciation method been in effect from the date of acquisition of such assets.

e. Depreciation on idle or excess facilities shall not be allowed except on such facilities as are reasonably necessary for standby purposes.

f. Where an institution elects to go on a depreciation basis for a particular class of assets, no depreciation, rental or use charge may be allowed on any such assets that would be viewed as fully depreciated; provided, however, that reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the actual replacement policy followed in the light of service lives used for calculating depreciation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

g. Hospitals which choose a depreciation allowance for assets purchased prior to 1966 based on a percentage of operating costs in lieu of normal depreciation for purposes of reimbursement under Public Law 89–97 (Medicare) shall utilize that method for determining depreciation applicable to organized research.

The operating costs to be used are the lower of the hospital's 1965 operating costs or the hospital's current year's allowable costs. The percent to be applied is 5 percent starting with the year 1966–67, with such percentage being uniformity reduced by one-half percent each succeeding year. The allowance based on operating costs is in addition to regular depreciation on assets acquired after 1965. However, the combined amount of such allowance on pre-1966 assets and the allowance for actual depreciation on assets acquired after 1965 may not exceed 6 percent of the hospital's allowable cost for the current year. After total depreciation has been computed, allocation methods are used to determine the share attributable to organized research.

For purposes of this section, "Operating Costs" means the total costs incurred by the hospital in operating the institution, and includes patient care, research, and other activities. "Allowable Costs" means operating costs less unallowable costs as defined in these principles; by the application of allocation methods to the total amount of such allowable costs, the share attributable to Federally-sponsored research is determined.

A hospital which elects to use this procedure under Public Law 89-97 and subsequently changes to an actual depreciation basis on pre-1966 assets in accordance with the option afforded under the Medicare program shall simultaneously change to an actual depreciation basis for organized research.

Where the hospital desires to change to actual depreciation but either has no historical cost records or has incomplete records, the determination of historical cost could be made through appropriate means involving expert consultation with the determination being subject to review and approval by the Department of Health, Education, and Welfare.

h. Where the use allowance method is followed, the use allowance for buildings and improvements will be computed at an annual rate not exceeding two percent of acquisition cost. The use allowance for equipment will be computed at an annual rate not exceeding six and two-thirds percent of acquisition cost of usable equipment in those cases where the institution maintains current records with respect to such equipment on hand. Where the institution's records reflect only the cost (actual or estimated) of the original complement of equipment, the use allowance will be computed at an annual rate not exceeding ten percent of such cost. Original complement for this purpose means the complement of equipment initially placed in buildings to perform the functions currently being performed in such buildings; however, where a permanent change in the function of a building takes place, a redetermination of the original complement of equipment may be made at that time to establish a new original complement. In those cases where no equipment records are maintained, the institution will justify a reasonable estimate of the acquisition cost of usable equipment which may be used to compute the use allowance at an annual rate not exceeding six and two-thirds percent of such estimate.

1. Depreciation and/or use charges should usually be allocated to research and other activities as an indirect cost.

10. *Employee morale, health, and welfare costs and credits.* The costs of house publications, health or first-aid benefits, recreational activities, employees' counseling services, and other expenses incurred in accordance with the hospital's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance, are allowable. Such costs will be equitably apportioned to all activities of the hospital. Income generated from any of these activities will be credited to the cost thereof unless such income has been irrevocably set over to employee welfare organizations.

11. *Entertainment costs.* Except as pertains to 10 above, costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities are unallowable.

12. *Equipment and other facilities.* The cost of equipment or other facilities are allowable on a direct charge basis where such purchases are approved by the sponsoring agency concerned or provided for by the terms of the research agreement.

13. *Fines and penalties.* Costs resulting from violations of, or failure of the institution to comply with federal, state and local laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the research agreement, or instructions in writing from the awarding agency.

14. *Insurance and indemnification.* a. Costs of insurance required or approved and maintained pursuant to the research agreement are allowable.

b. Costs of other insurance maintained by the hospital in connection with the general conduct of its activities are allowable subject to the following limitations: (1) types and extent and cost of coverage must be in accordance with sound institutional practice; (2) costs of insurance or of any contributions to any reserve covering the risk of loss of or damage to government owned property are unallowable except to the extent that the Government has specifically required or approved such costs; and (3) costs of insurance on the lives of officers or trustees are unallowable except where such insurance is part of an employee plan which is not unduly restricted.

c. Contributions to a reserve for an approved self-insurance program are allowable to the extent that the types of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks. Such contributions are subject to prior approval of the Government.

d. Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the research agreement, except that costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice as well as minor losses not covered by insurance such as spoilage, breakage and disappearance of small hand tools which occur in the ordinary course of operations are allowable.

15. *Interest, fund raising and investment management costs.* a. Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable.

b. Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are not allowable.

c. Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are not allowable.

d. Costs related to the physical custody and control of monies and securities are allowable.

16. *Labor relations costs.* Costs incurred in maintaining satisfactory relations between the hospital and its employees, including costs of labor management committees, employees' publications, and other related activities are allowable.

17. *Losses on research agreements or contracts.* Any excess of costs over income under any agreement or contract of any nature is unallowable. This includes, but is not limited to, the hospital's contributed portion by reason of cost-sharing agreements, underrecoveries through negotiation of flat amounts for overhead, or legal or administrative limitations.

18. *Maintenance and repair costs.* a. Costs necessary for the upkeep of property (including government property unless otherwise provided for), which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are to be treated as follows:

1. Normal maintenance and repair costs are allowable;

2. Extraordinary maintenance and repair costs are allowable, provided they are allocated to the periods to which applicable for purposes of determining research costs.

b. Expenditures for plant and equipment, including rehabilitation thereof, which according to generally accepted accounting principles as applied under the hospital's established policy, should be capitalized and subjected to depreciation, are allowable only on a depreciation basis.

19. *Material costs.* Costs incurred for purchased materials, supplies and fabricated parts directly or indirectly related to the research agreement, are allowable. Purchases made specifically for the research agreement should be charged thereto at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the institution. Withdrawals from general stores or stockrooms should be charged at their cost under any recognized method of pricing stores withdrawals conforming to sound accounting practices consistently followed by the hospital. Incoming transportation charges are a proper part of material cost. Direct material cost should include only the materials and supplies actually used for the performance of the research agreement, and due credit should be given for any excess materials retained or returned to vendors. Due credit should be given for all proceeds or value received for any scrap resulting from work under the research agreement. Where government donated or furnished material is used in performing the research agreement, such material will be used without charge.

20. *Memberships, subscriptions and professional activity costs.* a. Costs of the hospital's membership in civic, business, technical and professional organizations are allowable.

b. Costs of the hospital's subscriptions to civic, business, professional and technical periodicals are allowable.

c. Costs of meetings and conferences, when the primary purpose is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, and other items incidental to such meetings or conferences.

21. *Organization costs.* Expenditures such as incorporation fees, attorneys' fees, accountants' fees, brokers' fees, fees to promoters and organizers in connection with (a) organization or reorganization of a hospital, or (b) raising capital, are unallowable.

22. *Other business expenses.* Included in this item are such recurring expenses as registry and transfer charges resulting from changes in ownership of securities issued by the hospital, cost of shareholders meetings preparation and publication of reports to shareholders, preparation and submission of required reports and forms to taxing and other regulatory bodies, and incidental costs of directors and committee meetings. The above and similar costs are allowable when allocated on an equitable basis.

23. *Patient care.* The cost of routine and ancillary or special services to research patients is an allowable direct cost of research agreements.

a. Routine services shall include the costs of the regular room, dietary and nursing services, minor medical and surgical supplies and the use of equipment and facilities for which a separate charge is not customarily made.

b. Ancillary or special services are the services for which charges are customarily made in addition to routine services, such as operating rooms, anesthesia, laboratory, BMR-EKG, etc.

c. Patient care, whether expressed as a rate or an amount, shall be computed in a manner consistent with the procedures used to determine reimbursable costs under Public Law 89-97 (Medicare Program) as defined under the "Principles Of Reimbursement For Provider Costs" published by the Social Security Administration of the Department of Health, Education, and Welfare. The allowability of specific categories of cost shall be in accordance with those principles rather than the principles for research contained herein. In the absence of participation in the Medicare program by a hospital, all refer-

ences to the Medicare program in these principles shall be construed as meaning the Medicaid program.

i. Once costs have been recognized as allowable, the indirect costs or general service center's cost shall be allocated (stepped-down) to special service centers, and all patient and nonpatient costs centers based upon actual services received or benefiting these centers.

ii. After allocation, routine and ancillary costs shall be apportioned to scatter-bed research patients on the same basis as is used to apportion costs to Medicare patients, i.e. using either the departmental method or the combination method, as those methods are defined by the Social Security Administration; except that final settlement shall be on a grant-by-grant basis. However, to the extent that the Social Security Administration has recognized any other method of cost apportionment, that method generally shall also be recognized as applicable to the determination of research patient care costs.

iii. A cost center must be established on Medicare reimbursement forms for each discrete-bed unit grant award received by a hospital. Routine costs should be stepped-down to this line item(s) in the normal course of stepping-down costs under Medicare/Medicaid requirements. However, in stepping-down routine costs, consideration must be given to preventing a step-down of those costs to discrete-bed unit line items that have already been paid for directly by the grant, such as bedside nursing costs. Ancillary costs allocable to research discrete-bed units shall be determined and proposed in accordance with Section 23.c.ii.

d. Where federally sponsored research programs provide specifically for the direct reimbursement of nursing, dietary, and other services, appropriate adjustment must be made to patient care costs to preclude duplication and/or misallocation of costs.

24. *Patent costs.* Costs of preparing disclosures, reports and other documents required by the research agreement and of searching the art to the extent necessary to make such invention disclosures are allowable. In accordance with the clauses of the research agreement relating to patents, costs of preparing documents and any other patent costs, in connection with the filing of a patent application where title is conveyed to the Government, are allowable. (See also para. IX–B.36.)

25. *Pension plan costs.* Costs of the hospital's pension plan which are incurred in accordance with the established policies of the institution are allowable, provided such policies meet the test of reasonableness and the methods of cost allocation are not discriminatory, and provided appropriate adjustments are made for credits or gains arising out of normal and abnormal employee turnover or any other contingencies that can result in forfeitures by employees which inure to the benefit of the hospital.

26. *Plan security costs.* Necessary expenses incurred to comply with government security requirements including wages, uniforms and equipment of personnel engaged in plant protection are allowable.

27. *Prerescarch agreement costs.* Costs incurred prior to the effective date of the research agreement, whether or not they would have been allowable thereunder if incurred after such date, are unallowable unless specifically set forth and identified in the research agreement.

28. *Professional services costs.* a. Costs of professional services rendered by the members of a particular profession who are not employees of the hospital are allowable subject to (b) and (c) below when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Government. Retainer fees to be allowable must be reasonably supported by evidence of services rendered.

b. Factors to be considered in determining the allowability of costs in a particular case include (1) the past pattern of such costs, particularly in the years prior to the award of government research agreements on the institution's total activity; (2) the nature and scope of managerial services expected of the institution's own organizations; and (3) whether the proportion of government work to the hospital's total activity is such as to influence the institution in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under government research agreements.

c. Costs of legal, accounting and consulting services, and related costs incurred in connection with organization and reorganization or the prosecution of claims against the Government are unallowable. Costs of legal, accounting and consulting services, and related costs incurred in connection with patent infringement litigation are unallowable unless otherwise provided for in the research agreement.

29. *Profits and losses on disposition of plant equipment, or other assets.* Profits or losses of any nature arising from the sale or exchange of plant, equipment, or other capital assets, including sales or exchange of either short- or long-term investments, shall be excluded in computing research agreement costs.*

30. *Proposal costs.* Proposal costs are the costs of preparing bids or proposals on potential government and non-government research agreements or projects, including the development of technical data and cost data necessary to support the institution's bids or proposals. Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally should be treated as indirect costs and allocated currently to all activities of the institution, and no proposal costs of past accounting periods will be allocable in the current period to the government research agreement. However, the institution's established practices may be to treat proposal costs by some other recognized method. Regardless of the methods used, the results obtained may be accepted only if found to be reasonable and equitable.

31. *Public information services costs.* Costs of news releases pertaining to specific research or scientific accomplishment are unallowable unless specifically authorized by the sponsoring agency.

32. *Rearrangement and alteration costs.* Costs incurred for ordinary or normal rearrangement and alteration of facilities are allowable. Special rearrangement and alteration costs incurred specifically for a project are allowable only as a direct charge when such work has been approved in advance by the sponsoring agency concerned.

33. *Reconversion costs.* Costs incurred in the restortion or rehabilitation of the institution's facilities to approximately the same condition existing immediately prior to commencement of government research agreement work, fair wear and tear excepted, are allowable.

34. *Recruiting costs.* a. Subject to (b), (c), and (d) below, and provided that the size of the staff recruited and maintained is in keeping with workload requirements, costs of "help wanted" advertising, operating costs of an employment office necessary to secure and maintain an adequate staff, costs of operating an aptitude and educational testing program, travel costs of employees while engaged in recruiting personnel, travel costs of applicants for interviews for prospective employment, and relocation costs incurred incident to recruitment of new employees are allowable to the extent that such costs are incurred pursuant to a well managed recruitment program. Where an institution uses employment agencies, costs not in excess of standard commercial rates for such services are allowable.

b. In publications, costs of help wanted advertising that includes color, includes advertising material for other than recruitment purposes, or is excessive in size (taking into consideration recruitment purposes for which intended and normal institutional practices in this respect) are unallowable.

c. Costs of help wanted advertising, special emoluments; fringe benefits, and salary allowances incurred to attract professional personnel from other institutions that do not meet the test of reasonableness or do not conform with the established practices of the institution are unallowable.

d. Where relocation costs incurred incident to recruitment of a new employee have been allowed either as an allocable direct or indirect cost, and the newly hired employee resigns for reasons within his control within twelve months after hire, the institution will be required to refund or credit such relocations costs as were charged to the Government.

35. *Rental costs (including sale and leaseback of facilities).* a. Rental costs of land, building, and equipment and other personal property are allowable if the rates are reasonable in light of such factors as rental costs of comparable facilities and market conditions in the area, the type, life expectancy, condition, and value of the facilities leased, options available, and other provisions of the rental agreement. Application of these factors, in situations where rentals are extensively used, may involve among other considerations comparison of rental costs with the amount which the hospital would have received had it owned the facilities.

b. Charges in the nature of rent between organizations having a legal or other affiliation or arrangement such as hospitals, medical schools, foundations, etc., are allowable to the extent such charges do not exceed the normal costs of ownership such as depreciation, taxes, insurance, and maintenance, provided that no part of such costs shall duplicate any other allowed costs.

c. Unless otherwise specifically provided in the agreement, rental costs specified in sale and lease-back agreements incurred by hospitals through selling plant facilities to investment organizations such as insurance companies or to private investors, and concurrently leasing back the same facilities are allowable only to the extent that such rentals do not exceed the amount which the hospital would have received had it retained legal title to the facilities.

36. *Royalties and other costs for use of patents.* Royalties on a patent or amortization of the cost of acquiring a patent or invention or rights thereto necessary for the proper performance of the research agreement and applicable to tasks or processes thereunder are allowable unless the Government has a license or the right to free use of the patent, the patent has been adjudicated to be invalid, or has been administratively determined to be invalid, the patent is considered to be unenforceable, or the patent has expired.

37. *Severance pay.* a. Severance pay is compensation in addition to regular salaries and wages which is paid by a hospital to employees whose services are being terminated. Costs of severance pay are allowable only to the extent that such payments are required by law, by employer-employee agreement, by established policy that constitutes in effect an implied agreement on the institution's part, or by circumstances of the particular employment.

b. Severance payments that are due to normal, recurring turnover, and which other-

wise meet the conditions of (a) above may be allowed provided the actual costs of such severance payments are regarded as expenses applicable to the current fiscal year and are equitably distributed among the institution's activities during that period.

c. Severance payments that are due to abnormal or mass terminations are of such conjectural nature that allowability must be determined on a case-by-case basis. However, the Government recognizes its obligation to participate to the extent of its fair share in any specific payment.

38. *Specialized service facilities operated by a hospital.* a. The costs of institutional services involving the use of highly complex and specialized facilities such as electronic computers and reactors are allowable provided the charges therefor meet the conditions of (b) or (c) below, and otherwise take into account any items of income or federal financing that qualify as applicable credits under para. III–E.

b. The costs of such hospital services normally will be charged directly to applicable research agreements based on actual usage or occupancy of the facilities at rates that (1) are designed to recover only actual costs of providing such services, and (2) are applied on a nondiscriminatory basis as between organized research and other work of the hospital including commercial or accommodation sales and usage by the hospital for internal purposes. This would include use of such facilities as radiology, laboratories, maintenance men used for a special purpose, medical art, photography, etc.

c. In the absence of an acceptable arrangement for direct costing as provided in (b) above, the costs incurred for such institutional services may be assigned to research agreements as indirect costs, provided the methods used achieve substantially the same results. Such arrangements should be worked out in coordination with all government users of the facilities in order to assure equitable distribution of the indirect costs.

39. *Special administrative costs.* Costs incurred for general public relations activities, catalogs, alumni activities, and similar services are unallowable.

40. *Staff and/or employee benefits.* a. Staff and/or employee benefits in the form of regular compensation paid to employees during periods of authorized absences from the job such as for annual leave, sick leave, military leave and the like are allowable provided such costs are absorbed by all hospital activities including organized research in proportion to the relative amount of time or effort actually devoted to each.

b. Staff benefits in the form of employer contributions or expenses for Social Security taxes, employee insurance, Workmen's Compensation insurance, the Pension Plan (see para. IX–B.25), hospital costs or remission of hospital charges to the extent of costs for individual employees or their families, and the like are allowable provided such benefits are granted in accordance with established hospital policies, and provided such contributions and other expenses whether treated as indirect costs or an increment of direct labor costs are distributed to particular research agreements and other activities in a manner consistent with the pattern of benefits accruing to the individuals or groups of employees whose salaries and wages are chargeable to such research agreements and other activities.

41. *Taxes.* a. In general, taxes which the hospital is required to pay and which are paid or accrued in accordance with generally accepted accounting principles, and payments made to local governments in lieu of taxes which are commensurate with the local government services received are allowable except for (1) taxes from which exemptions are available to the hospital directly or which are available to the hospital based on an exemption afforded the Government and in the latter case when the sponsoring agency makes available the necessary exemption certificates, (2) special assessments on land which represent capital improvements, and (3) Federal Income Taxes.

b. Any refund of taxes, interest, or penalties, and any payment to the hospital of interest thereon attributable to taxes, interest or penalties, which were allowed as research agreement costs will be credited or paid to the Government in the manner directed by the Government provided any interest actually paid or credited to a hospital incident to a refund of tax, interest, and penalty will be paid or credited to the Government only to the extent that such interest accrued over the period during which the hospital had been reimbursed by the Government for the taxes, interest, and penalties.

42. *Transportation costs.* Costs incurred for inbound freight, express, cartage, postage and other transportation services relating either to goods purchased, in process, or delivered are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items. Where identification with the material received cannot readily be made, inbound transportation costs may be charged to the appropriate indirect cost accounts if the institution follows a consistent equitable procedure in this respect. Outbound freight, if reimbursable under the terms of the research agreement, should be treated as a direct cost.

43. *Travel costs.* a. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the hospital. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed by the institution in its regular operations.

b. Travel costs are allowable subject to (c) and (d) below when they are directly attributable to specific work under a research agreement or when they are incurred in the normal course of administration of the hospital or a department or research program thereof.

c. The difference in cost between first class air accommodations and less than first class air accommodations is unallowable except when less than first class air accommodations are not reasonably available to meet necessary mission requirements such as where less than first class accommodations would (1) require circuitous routing, (2) require travel during unreasonable hours, (3) greatly increase the duration of the flight, (4) result in additional costs which would offset the transportation savings, or (5) offer accommodations which are not reasonably adequate for the medical needs of the traveler.

d. Costs of personnel movements of a special or mass nature are allowable only when authorized or approved in writing by the sponsoring agency or its authorized representative.

44. *Termination costs applicable to contracts.* a. Contract terminations generally give rise to the incurrence of costs or to the need for special treatment of costs which would not have arisen had the contract not been terminated. Items peculiar to termination are set forth below. They are to be used in conjunction with all other provisions of these principles in the case of contract termination.

b. The cost of common items of material reasonably usable on the hospital's other work will not be allowable unless the hospital submits evidence that it could not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the institution, consideration should be given to the hospital's plans for current scheduled work or activities including other research agreements. Contemporaneous purchases of common items by the hospital will be regarded as evidence that such items are reasonably usable on the hospital's other work. Any acceptance of common items as allowable to the terminated portion of the contract should be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirement of other work.

c. If in a particular case, despite all reasonable efforts by the hospital, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in these principles, except that any such costs continuing after termination due to the negligent or willful failure of the hospital to discontinue such costs will be considered unacceptable.

d. Loss of useful value of special tooling and special machinery and equipment is generally allowable, provided (1) such special tooling, machinery or equipment is not reasonably capable of use in the other work of the hospital; (2) the interest of the Government is protected by transfer of title or by other means deemed appropriate by the contracting officer; and (3) the loss of useful value as to any one terminated contract is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the contract bears to the entire terminated contract and other government contracts for which the special tooling, special machinery or equipment was acquired.

e. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated contract, less the residual value of such leases, if (1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the contract and such further period as may be reasonable; and (2) the hospital makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the contract and of reasonable restoration required by the provisions of the lease.

f. Settlement expenses including the following are generally allowable: (1) accounting, legal, clerical, and similar costs reasonably necessary for the preparation and presentation to contracting officers of settlement claims and supporting data with respect to the terminated portion of the contract and the termination and settlement of subcontracts; and (2) reasonable costs for the storage, transportation, protection, and disposition of property provided by the Government or acquired or produced by the institution for the contract.

g. Subcontractor claims including the allocable portion of claims which are common to the contract and to other work of the contractor are generally allowable.

45. *Voluntary services.* The value of voluntary services provided by sisters or other members of religious orders is allowable provided that amounts do not exceed that paid other employees for similar work. Such amounts must be identifiable in the records of the hospital as a legal obligation of the hospital. This may be reflected by an agreement between the religious order and the hospital supported by evidence of payments to the order.

APPENDIX F—PRINCIPLES FOR DETERMINING COSTS APPLICABLE TO GRANTS AND CONTRACTS WITH NONPROFIT INSTITUTIONS

A. PURPOSE AND SCOPE

1. *Objectives.* This Appendix provides principles for determining the costs applicable to grants and contracts awarded by the Department of Health, Education, and Welfare and performed by nonprofit organizations other than educational institutions, hospitals and State and local Government organizations. These principles are confined to the subject of cost determination and make no attempt to identify the circumstances or dictate the extent of agency and institutional participation in the financing of a particular project. The principles are designed to provide recognition of the full allocated costs of work under generally accepted accounting principles. No provision for profit or other increment above cost is provided for in these principles.

2. *Definition of Nonprofit Institution.* (a) A nonprofit institution for purposes of this document is any corporation, foundation, trust, association, cooperative or other organization other than (i) educational institutions, (ii) hospitals and (iii) State and local Governmental agencies, bureaus or departments, which is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest, which is not organized primarily for profit and which uses all income exceeding costs to maintain, improve and/or expand its operations.

The charter or other legally binding authority for the existence of the institution must provide that no part of the net earnings, properties or other assets of the institution, on dissolution or otherwise, shall inure to the benefits of any private person or individual including any member, employee, officer, director or trustee of the institution, and that, on liquidation or dissolution all properties and assets remaining after providing for all debts and obligations shall be distributed and paid over to such other fund, foundation or other organization formed and operated as a nonprofit institution, as defined herein, as the board of directors or trustees may determine. Institutions which have received tax exemptions as nonprofit institutions from the U.S. Internal Revenue Service shall be considered to have met the criteria of this definition.

(b) For purposes of this document, the terms nonprofit and not-for-profit as they are descriptively applied to institutions shall be considered synonymous provided the requirements of 2(a) are met.

3. *Policy guides.* The successful application of these principles requires development of mutual understanding between representatives of nonprofit institutions and of the Federal Government as to their scope, applicability, and interpretation. It is recognized that the arrangements for agency and institutional participation in the financing of a project are properly subject to negotiation between the agency and the institution concerned in accordance with such governmentwide criteria as may be applicable, that each institution should be expected to employ sound management practice in the fulfillment of its obligation, and that each grantee or contractor organization in recognition of its own unique combination of staff, facilities and experience should be responsible for employing whatever form of organization and management techniques as may be necessary to assure proper efficient administration.

4. *Application.* These principles shall be applied in determining cost incurred in the performance of all grants and cost-reimbursement type contracts awarded by the Department of Health, Education, and Welfare. The principles shall also apply to cost-reimbursement type contracts performed under DHEW grants and cost-reimbursement type subcontracts and shall be used as a guide in the pricing of fixed price contracts and subcontracts. The principles do not apply to construction grants or contracts.

B. BASIC CONSIDERATIONS

1. *Composition of total cost.* The total cost of a contract or grant is the sum of the allowable direct and indirect costs allocable to the grant/contract less any applicable credits. In ascertaining what constitutes costs, any generally accepted accounting method of determining or estimating costs that is equitable under the circumstances may be used.

2. *Factors affecting allowability of costs.* Factors to be considered in determining the allowability of individual items of cost include (a) reasonableness, (b) allocability, (c) application of those generally accepted accounting principles and practices appropriate to the particular circumstances, and (d) any limitations or exclusions set forth in this document or otherwise included in the grant/contract as to types or amounts of cost items.

3. *Definition of reasonableness.* A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business. The question of the reasonableness of specific costs must be scrutinized with particular care in connection with institutions or separate divisions thereof which may not be subject to effective competitive restraints. What is reasonable depends upon a variety of considerations and circumstances involving both the nature and amount of the cost in question. In determining the reasonableness of a given cost, consideration shall be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the institution or the performance of the grant/contract.

(b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal and State laws and regulations, and grant/contract terms and specifications;

(c) The action that a prudent businessman would take in the circumstances, considering his responsibilities to the public at large, the Government, his employees, his clients, shareholders or members and the fulfillment of the purposes for which the institution was organized; and

(d) Significant deviations from the established practices of the institution which may unjustifiably increase the grant/contract costs.

4. *Definition of allocability.* A cost is allocable if it is assignable or chargeable to a particular cost objective, such as a grant/contract, project, product, service, process, or other major activity, in accordance with the relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a Government grant/contract if it:

(a) Is incurred specifically for the grant/contract;

(b) Benefits both the grant/contract and other work and can be distributed to them in reasonable proportion to the benefits received; or

(c) Is necessary to the overall operation of the institution, although a direct relationship to any particular cost objective cannot be shown.

Where an organization utilizes the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations (or comparable generally accepted accounting standards peculiar to its particular organizational structure or activity) to allocate costs to non-HEW supported activities it must also use such standards to allocate costs to HEW grants/contracts.

5. *Applicable credits.* The term applicable credits refers to those receipt or negative expenditure types of transactions which operate to offset or reduce expense items that are allocable to grants or contracts as direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates or allowances; recoveries or indemnities on losses; sales of scrap or incidental services; and adjustments of overpayments or erroneous charges. The applicable portion of any income, rebate, allowance, and other credit relating to any allowable cost, received by or accruing to the grantee/contractor shall be credited to the Government either as a cost reduction or by cash refund, as appropriate.

C. DIRECT COSTS

1. A direct cost is any cost which can be identified specifically with a particular cost objective. Direct costs are not limited to items which are incorporated in the end product as materiel or labor. Costs identified specifically with the grant/contract are direct costs of the grant/contract and may be charged directly thereto. Costs identified specifically with other work of the institution are direct costs of that work and are not to be charged to the grant/contract either directly or indirectly. Items charged as direct cost to Government-supported projects must be charged in a uniform manner to all other work of the institution in order to preclude an overcharge to the Government as a result of the Government's participation in the indirect cost pool. Conversely, where the institution's established accounting system provides for the treatment of certain items of cost as direct costs of the institution, then the same items must be considered direct costs to Government-supported projects and may not be included in the indirect cost pool.

2. Certain types of cost, or costs associated with certain activities are not reimbursable as a charge to a DHEW grant/contract. These unallowable costs or activities are identified in section G. Even though a particular activity or cost is designated as unallowable for purposes of computing costs charged to Government work, it nonetheless must be treated as a direct cost or activity if a portion of the institution's indirect cost (as defined in section D) is properly allocable to it. The amount of indirect cost allocated must be in accordance with the principles set forth in section D–2. In general, an unallowable institutional activity shall be treated as a direct function when it (1) includes salaries of personnel, (2) occupies space, and (3) is serviced by an indirect cost grouping(s). Thus the costs associated with the following types of activities when normal or necessary to an institution's primary mission shall be treated as direct costs:

(a) Maintenance of membership rolls, subscriptions, publications and related functions.

(b) Providing services and information to members, legislative or administrative bodies or the public.

(c) Promotion, lobbying, and other forms of public relations.

(d) Meetings and conferences except those held to conduct the general administration of the institution.

(e) Fund raising.

(f) Maintenance, protection, and investment of special funds not used in operation of institutions.

(g) Administration of group benefits on behalf of members or clients including life and hospital insurance, annuity or retirement plans, financial aid, etc.

(h) Other activities performed primarily as a service to a membership, clients, or the public.

3. This definition shall be applied to all items of cost of significant amount unless the institution demonstrates that the application of any different current practice achieves substantially the same results. Direct cost items of minor amount may be distributed as indirect costs as provided in section D.

D. INDIRECT COSTS

1. An indirect cost is one which, because of its incurrence for common or joint objectives, is not readily subject to treatment as a direct cost. Minor direct cost items may be considered to be indirect costs for reasons of practicality. After direct costs have been determined and charged directly to the grant/contract or other work as appropriate, indirect costs are those remaining to be allocated to the several classes of work. The overall objective of the allocation process is to distribute the indirect costs of the institution to its various major activities or cost objectives in reasonable proportions with the benefits provided to those activities or cost objective. Because of the diverse natures and purposes of organizations falling within the definition of a non-profit organization, it is impractical to specifically identify those functions which constitute major activities for purposes of identifying and distributing indirect costs. Such identification will be dependent upon an institution's purpose-in-being, the services it renders to the public, its clients and/or members, the amount of effort devoted to fund raising activities, public relations, and membership activities, etc. (See section C-2.)

2. Indirect costs shall be accumulated by logical cost groupings with due consideration of the reasons for incurring the costs. Each grouping should be determined so as to permit distribution of the grouping on the basis of the benefits accruing to the several cost objectives. Sub-grouping may be required where there is no single equitable distribution base for all the elements of cost comprising a group. Actual conditions must be taken into account in selecting the method or base to be used in distributing the expenses assembled under each of the individual cost groupings established to applicable cost objectives. Where a distribution can be made by assignment of a cost grouping directly to the area benefited, the distribution should be made in that manner. Where the expenses under a cost grouping are more general in nature, the distribution to the cost objectives should be made through use of a selected base which will produce results which are equitable to both the Government and the institution. In general, any cost element or cost-related factor associated with the institution's work is potentially adaptable for use as a distribution base provided (1) it can readily be expressed in terms of dollars or other quantitative measure (total direct expenditures, direct salaries, manhours applied, square feet utilized, hours of usage, number of documents processed, population served, and the like); and (2) it is common to the cost objectives during the base period. The essential consideration in selection of the distribution base in each instance is that it be the one best suited for assigning the pool of costs to the cost objectives in accord with the relative benefits derived; the traceable cause and effect relationship; or logic and reason, where neither benefit nor cause and effect relationship is determinable.

3. The number and composition of the groupings should be governed by practical considerations and should be such as not to complicate unduly the allocation where substantially the same results are achieved through less precise methods.

4. A base period for distribution of indirect costs is the period during which such costs are incurred and accumulated for distribution to work performed within that period. The base period normally should coincide with the fiscal year established by the institution, but in any event the base period should be so selected as to avoid inequities in the distribution of costs.

E. DETERMINATION AND APPLICATION OF INDIRECT COST RATE OR RATES

1. *Indirect cost pools.* (a) Subject to (b) below, indirect costs allocable to an institution's direct functions should be treated as a common pool, and the costs in such common pool should then be distributed to the individual projects benefiting therefrom by use of a single rate.

(b) In some instances a single rate for use across the board on all activities at an institution may not be appropriate, since it would not take into account those different environmental factors which may affect substantially the indirect costs applicable to a particular segment of work at the institution. For this purpose, a particular segment of work may be that performed under a single grant/contract or it may consist of work under a group of grants/contracts performed in a common environment. The environmental factors are not limited to the physical location of the work. Other important factors are the level of the administrative support required, the nature of the facilities or other resources employed, the scientific disciplines or technical skills involved, the organizational arrangements used, or any combination thereof. Where a particular segment of work is performed within an environment which appears to generate a significantly different level of indirect costs, provision should be made for a separate indirect cost pool applicable to such work. The separate indirect cost pool should be developed during the course of the regular distribution process, and the separate indirect cost rate resulting therefrom should be utilized provided it is determined that (1) such indirect cost rate differs significantly from that which would have been obtained under (a) above, and (2) the volume of work to which such rate would apply is material in relation to other activity at the institution.

2. *The distribution base.* Indirect costs should be distributed to each applicable project on the basis of direct salaries and wages, total direct costs or other basis which results in an equitable distribution. For this purpose, an indirect cost rate should be determined for each of the separate indirect cost pools developed pursuant to section E.1. The rate in each case should be stated as the percentage which the amount of the particular indirect cost pool is of the base selected.

F. APPLICATION OF PRINCIPLES AND PROCEDURES

1. Costs shall be allowed to the extent that they are reasonable (see B.3) allocable (see B.4) and determined to be allowable in view of the other factors set forth in paragraph B.2. and section G. These criteria apply to all of the selected items of cost which follow notwithstanding that particular guidance is provided in connection with certain specific items for emphasis or clarity.

2. Costs of all subcontracts under a grant or cost-reimbursement type contract are subject to those Federal cost regulations and policies appropriate to the subcontract involved. Thus if the subcontract is for supplies or services with a nonprofit institution other than an educational institution, hospital or State and local governmental unit this document would apply; if the subcontract is for supplies or services with a commercial organization, Federal Procurement Regulation Part 1.15.2 would apply; if the subcontract is with an educational institution. Appendix D to this Part (Federal Procurement Regulation Part 1.15.3) would apply; if the subcontract is with a hospital, the Department of Health, Education, and Welfare's Cost Principles for Hospitals would apply (see Appendix E to this Part).

3. Selected items of cost are treated in Section G. However, section G does not cover every element of cost and every situation that might arise in a particular case. Failure to treat any item of cost in Section G is not intended to imply that it is either allowable or unallowable. With respect to all items, whether or not specifically covered, determination of allowability shall be based on the principles and standards set forth in this document and, where appropriate, the treatment of similar or related selected items.

G. GENERAL STANDARDS FOR SELECTED ITEMS OF COST

Sections G-1 through G-46 provide standards to be applied in establishing the allowability of certain items involved in determining costs. These standards should apply irrespective of whether a particular item of cost is properly treated as direct cost or indirect cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable; rather determination as to allowability in each case should be based on the treatment or standards provided for similar or related items of cost. In case of a discrepancy between the provisions of a specific grant/contract and the applicable standards provided, the provisions of the grant/contract shall govern. Under any given grant/contract the reasonableness and allocability of certain items of costs may be difficult to determine. This is particularly true in connection with nonprofit institutions which are so diverse in nature and not subject to effective competive restraints. In order to avoid possible subsequent disallowance or dispute based on unreasonableness or nonallocability, it is important that institutions entering into grants or contracts with the Government seek agreement in advance of the incurrence of special or unusual costs in categories where reasonableness or allocability are difficult to determine. Such action may also be initiated by the Government. Examples of costs on which advance agreements may be particularly important are:

1. Compensation for personal services;
2. Consultant fees;
3. Deferred maintenance costs;
4. Excess facility costs;
5. Materiel, services, and supplies sold between organizations or divisions under common control;
6. Preaward costs;
7. Publication and public information costs;
8. Royalties;
9. Training and educational costs;
10. Travel costs, as related to special or mass personnel movement, and to the class of air-travel accommodations allowable;
11. Use charge for fully depreciated assets;
12. Depreciation or use charge on assets donated to the institution by third parties.

1. *Advertising costs.* (a) Advertising costs mean the costs of advertising media and corollary administrative costs. Advertising media include magazine, newspapers, radio, and television programs, direct mail, trade papers, outdoor advertising, dealer cards, and window displays, conventions, exhibits, free goods, and samples, and the like.

(b) The only advertising costs allowable are those which are solely for (1) the recruitment of personnel required for the performance by the institution of obligations arising under the grant/contract, when considered in conjunction with all other recruitment

costs, as set forth in G.36; (2) the procurement of scarce items for the performance of the grant/contract or (3) the disposal of scrap or surplus materials acquired in the performance of the project. Costs of this nature, if incurred for more than one Government award or for both Government work and other work of the institution, are allowable to the extent that the principles in paragraphs B–3, B–4, and section D are observed.

2. *Bad debts.* Bad debts, including losses (whether actual or estimated) arising from uncollectible customers' accounts and other claims, related costs, and related legal costs, are unallowable.

3. *Bidding or proposal costs.* Bidding or proposal costs are the immediate costs of preparing bids or proposals on potential Government and non-Government contracts or projects or applications for financial assistance under Federal grant and contract programs, including development of scientific, engineering and cost data necessary to support the institution's bids, proposals or applications. Bidding costs of the current accounting period are allowable as part of the indirect cost pool. Costs of past accounting periods are unallowable. Bidding costs do not include any of those costs described in section G–16 and G–30.

4. *Bonding costs.* (a) Bonding costs arise when the Government requires assurance against financial loss to itself or others by reason of the act or default of the grantee/contractor. They arise also in instances where the grantee/contractor requires similar assurance. Included are such bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds.

(b) Costs of bonding required pursuant to the terms of the grant/contract are allowable.

(c) Costs of bonding required by the grantee/contractor in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

5. *Civil defense costs.* (a) Civil defense costs are those incurred in planning for, and the protection of life and property against, the possible effects of enemy attack. Reasonable costs of civil defense measures (including costs in excess of normal plant protection costs, first-aid training and supplies, fire fighting training and equipment, posting of additional exit notices and directions, and other approved civil defense measures) undertaken on the institution's premises pursuant to suggestions or requirements of civil defense authorities are allowable when allocated to all work of the institution.

(b) Costs of capital assets under (a) above are allowable through depreciation or use charges in accordance with G–10.

(c) Contributions to local civil defense funds and projects are unallowable.

6. *Compensation for personal services.*— (a) *Definition.* Compensation for personal services includes all remuneration paid currently or accrued in whatever form and whether paid immediately or deferred for services rendered by employees of the institution during the period of grant/contract performance. It includes, but is not limited to salary, wages, directors' and executive committee members' fees, bonuses, incentive awards, employee insurance, fringe benefits, and contributions to pension, annuity, and management employee incentive compensation plans.

(b) *Allowability.* Except as otherwise specifically provided in this subsection, the costs of compensation for personal services are to be treated as allowable to the extent that:

(1) Compensation is paid in accordance with policy, programs, and procedures that effectively relate individual compensation to the individual's contribution to the performance of grant or contract work, result in internally consistent treatment of employees in like situations, and effectively relate compensation paid within the organization to that paid for similar services outside the organization;

(2) Total compensation of individual employees is reasonable for the services rendered; and

(3) Costs are not in excess of those costs which are allowable by the Internal Revenue Code and regulations thereunder.

(c) *Reasonableness.* (1) When the institution is predominantly engaged in activities other than those sponsored by the Federal Government, compensation for employees on federally sponsored work will be considered reasonable to the extent that it is consistent with that paid for similar work in the institution's other activities;

(2) When the institution is predominantly engaged in federally sponsored activities, and in cases where the kind of employees required for the federally sponsored activities are not found in the institution's other activities, compensation for employees on federally sponsored work will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor markets in which the institution competes for the kind of employees involved.

(d) *Review and approval of compensation of individual employees.* In determining the reasonableness of compensation, the compensation of each individual employee normally need not be subject to review and approval. Reviews and approvals of individuals need be made only in those cases in which a general review reveals amounts or types of compensation which appear unreasonable or otherwise out of line.

(e) *Special considerations in determining allowability.* Certain conditions require special consideration and possible limitation as to allowability for grant and contract cost purposes where amounts appear excessive. Among such conditions are the following:

(1) Compensation to share holders, members, trustees, directors, associates, officers or members of the immediate families thereof, or to persons who are contractually committed to acquire a substantial financial interest in the enterprise. Determination should be made that such compensation is reasonable for the actual personal services rendered rather than a distribution of earnings in excess of costs.

(2) Any change in an institution's compensation policy resulting in a substantial increase in the institution's level of compensation, particularly when it was concurrent with an increase in the ratio of Government awards to other business, or any change in the treatment of allowability of specific types of compensation due to changes in Government policy.

(3) The institution's activities are such that its compensation levels are not subject to the restraints normally occurring in the conduct of competitive business.

(f) Notwithstanding any other provisions of this subsection, costs of compensation are not allowable to the extent that they result from provisions of labor-management agreements that, as applied to work in the performance of Government grants or contracts are determined to be unreasonable either because they are unwarranted by the character and circumstances of the work or because they are discriminatory against the Government. The application of the provisions of a labor-management agreement designed to apply to a given set of circumstances and conditions of employment (for example, work involving extremely hazardous activities or work not requiring recurrent use of overtime) is unwarranted when applied to a Government grant or contract involving significantly different circumstances and conditions of employment, (for example, work involving less hazardous activities or work continually requiring use of overtime). It is discriminatory against the Government if it results in individual personnel compensation (in whatever form or name) in excess of that being paid for similar non-Government work under comparable circumstances. Disallowance of costs will not be made under this subparagraph unless:

(1) The institution has been permitted an opportunity to justify the costs; and

(2) Due consideration has been given to whether there are unusual conditions pertaining to the Government work which impose burdens, hardships, or hazards on the institution's employees, for which compensation that might otherwise appear unreasonable is required to attract and hold necessary personnel.

(g) (1) In addition to the general requirements set forth in (a) through (f) of this subsection, certain forms of compensation are subject to further requirements as specified in (2) through (9) below.

(2) *Salaries and wages.* Salaries and wages for current services include gross compensation paid to employees in the form of cash, products, or services, and are allowable. However, see G.25 as it relates to compensation for overtime.

(3) *Incentive compensation.* Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc. are allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the institution and the employees before the services were rendered, or pursuant to an established plan followed by the institution so consistently as to imply, in effect, an agreement to make such payment. Awards, and incentive compensation when deferred are allowable to the extent provided in (4) below.

(4) *Deferred compensation.* (a) As used herein, deferred compensation includes all remuneration, in whatever form, for which the employee is not paid until after the lapse of a stated period of years or the occurrence of other events as provided in the plans, except that it does not include normal end of accounting period accruals for regular salaries and wages. It includes (i) contributions to pension and annuity plans, (ii) contributions to disability, withdrawal, insurance, survivorship, and similar benefit plans, and (iii) other deferred compensation.

(b) Deferred compensation is allowable to the extent that (i) except for past service pension and retirement costs, it is for services rendered during the grant/contract period; (ii) it is, together with all other compensation paid to the employee, reasonable in amount; (iii) it is paid pursuant to an agreement entered into in good faith between the institution and its employees before the services are rendered, or pursuant to an established plan followed by the institution so consistently as to imply, in effect, an agreement to make such payments; (iv) the benefits of the plan are vested in the employees or their designated beneficiaries and no part of the deferred compensation reverts to the employer institution; (v) in the case of past service pension costs, it is amortized over a period of ten years or more; and (vi) for a plan which is subject to approval by the Internal Revenue Service, it falls within the criteria and standards of the Internal Revenue Code and the regulations of the Internal Revenue Service.

(c) In determining the cost of deferred compensation allowable under the grant or contract, appropriate adjustments shall be made for credits or gains, including those

arising out of both normal and abnormal employee turnover, or any other contingencies that can result in a forfeiture by employees of such deferred compensation. Adjustments shall be made only for forfeitures which directly or indirectly inure to the benefit of the institution; forfeitures which inure to the benefits of other employees covered by a deferred compensation plan with no reduction in the institution's costs will not normally give rise to an adjustment in grant/contract costs. Adjustments for normal employee turnover shall be based on the institution's experience and on foreseeable prospects, and shall be reflected in the amount of cost currently allowable. Such adjustments will be unnecessary to the extent that the institution can demonstrate that its contributions take into account normal forfeitures. Adjustments for possible future abnormal forfeitures shall be effected according to the following rules:

(i) Abnormal forfeitures that are foreseeable and which can be currently evaluated with reasonable accuracy, by actuarial or other sound computation shall be reflected by an adjustment of current costs otherwise allowable; and

(ii) Abnormal forfeitures, not within (i) above, may be made the subject of agreement between the Government and the institution either as to an equitable adjustment or a method of determining such adjustment.

(d) In determining whether deferred compensation is for services rendered during the agreement period or is for future services, consideration shall be given to conditions imposed upon eventual payment, such as requirements of continued employment, consultation after retirement, and covenants not to compete.

(5) *Fringe benefits.* Fringe benefits are allowances and services provided by the institution to its employees as compensation in addition to regular wages and salaries. Costs of fringe benefits, such as pay for vacations, holidays, sick leave, military leave, employee insurance, and supplemental unemployment benefit plans are allowable to the extent required by law, employer-employee agreement, or an established policy of the institution.

(6) Severance pay. See G.40.

(7) Training and education expenses. See G.44.

(8) *Location allowances.* (a) "Location alolwances," sometimes called "supplemental pay" or "incentive pay," are compensation in addition to normal wages or salaries and are paid by institutions to especially compensate or induce employees to undertake or continue work at locations which may be isolated or in an unfavorable environment. Location allowances include extra wage or salary payments in the form of station allowances, extended per diem, or mileage payments for daily commuting; they also include such benefits as institution-furnished housing. Payment of location allowances shall be allowed as costs under grants and cost-reimbursement type contracts, or recognized in pricing fixed-price type contracts, only with prior approval in writing from the awarding agency and only where and so long as the isolation or unfavorable environment of the site makes such payments necessary to the accomplishment of the work without unacceptable delays. Whether the site is so isolated, or its environment is so unfavorable, as to require location allowances is to be determined in the light of (a) its location and climate; (b) the availability and adequacy of housing within reasonable commuting distance; and (c) the availability and adequacy of educational, recreational, medical, and hospital facilities. The extent to which compensation includes location allowances is to be determined by comparing it with (a) the institution's normal compensation policy, including pay scales at its principal operating locations; (b) pay scales of other organizations and concerns operating at or near the site; and (c) compensation paid by other concerns within the same field for similar services elsewhere.

(b) Locations for which location allowances are paid shall be reviewed at least once a year to determine whether such allowances should continue to be allowed.

(9) *Support of salaries and wages.* (a) Direct charges for professionals must be supported by either:

(i) An adequate appointment and workload distribution system, accompanied by monthly reviews performed by responsible change in workload distribution of each professional (i.e., an exception reporting system) or

(ii) A monthly after-the-fact certification system which will require persons in supervisory positions having firsthand knowledge of the services performed to report the distribution of effort (i.e., a positive reporting system). Such reports must account for the *total* salaried effort of the persons covered. Consequently, a system which provides for the reporting only of effort applicable to federally sponsored activities is not acceptable.

(b) Direct charges for salaries and wages of nonprofessionals will be supported by time and attendance and payroll distribution records.

(c) Allowable indirect personal services costs will be supported by the institution's accounting system maintained in accordance with generally accepted institutional practices. Where a comprehensive accounting system does not exist, the institution should make periodic surveys no less frequently than annually to support the indirect personal services costs for inclusion in the overhead pool. Such supporting documentation must be retained for subsequent review by Government representatives.

7. *Capital expenditures.* The costs of equipment, buildings, and repairs which materially increase the value or useful life of buildings or equipment, are unallowable except as provided for in the grant/contract.

8. *Contingencies.* (a) A contingency is a possible future event or condition arising from presently known or unknown causes, the outcome of which is indeterminable at the present time.

(b) In historical costing, contingencies are not normally present since such costing deals with costs which have been incurred and recorded on the institution's books. Accordingly, contingencies are generally unallowable for historical costing purposes. However, in some cases, as for example, terminations, a contingency factor may be recognized which is applicable to a past period to give recognition to minor unsettled factors in the interest of expeditious settlement.

(c) In connection with estimates of future costs, contingencies fall into two categories:

(1) Those which may arise from presently known and existing conditions, the effects of which are foreseeable within reasonable limits of accuracy; e.g., pension funds, sick leave, and vacation accruals, etc. In such situations where they exist, contingencies of this category are to be included in the estimates of future cost so as to provide the best estimate of performance costs; and

(2) Those which may arise from presently known or unknown conditions, the effect of which cannot be measured so precisely as to provide equitable results to the institution and to the Government; e.g., results of pending litigation, and other general business risks. Contingencies of this category are to be excluded from cost estimates under the several items of cost, but should be disclosed separately, including the basis upon which the contingency is computed in order to facilitate the negotiation of appropriate contractual coverage (see, for example, G–17, G–21, and G–40).

9. *Contributions and donations.* (a) Contributions and donations by the grantee/contractor are unallowable.

(b) The value of donated services or goods provided by individual volunteers or members of volunteer organizations is not an allowable cost; however, the fair market value of donated services or goods utilized in the performance of a direct cost activity as defined in C.1 and C.2 shall be considered in the determination of the indirect cost rate(s) and, accordingly, shall be allocated a proportionate share of indirect cost.

10. *Depreciation and use allowances.* (a) Institutions may be compensated for the use of buildings, capital improvements and usable equipment on hand through depreciation or use allowances. Depreciation is a charge to current operations which distributes the cost of a tangible capital asset, less estimated residual value, over the estimated useful life of the asset in a systematic and logical manner. It does not involve a process of valuation. Useful life has reference to the prospective period of economic usefulness in the particular institution's operations as distinguished from physical life. Use allowances are the means of allowing compensation when depreciation or other equivalent costs are not considered.

(b) Depreciation or a use allowance on assets donated by third parties is allowable. However, any limitations on the amount of depreciation which would have applied to the donor as a result of restrictions contained in this Section shall also apply to the recipient organization.

(c) Due consideration will be given to Government-furnished facilities utilized by the institution when computing use allowances and/or depreciation if the Government-furnished facilities are material in amount. Computation of the use allowance and/or depreciation will exclude both the cost or any portion of the cost of grounds, buildings and equipment borne by or donated by the Federal Government, irrespective of where title was originally vested or where it presently resides, and secondly, the cost of grounds. Capital expenditures for land improvements (paved areas, fences, streets, sidewalks, utility conduits, and similar improvements not already included in the cost of buildings) are allowable provided the systematic amortization of such capital expenditures has been provided in the institution's books of account, based on reasonable determinations of the probable useful lives of the individual items involved, and the share allocated to the grant or contract is developed from the amount thus amortized for the base period involved.

(d) Normal depreciation on an institution's plant, equipment, and other capital facilities, except as excluded by (d) below, is an allowable element of cost provided that the amount thereof is computed:

(1) Upon a property cost basis which could have been used by the institution for Federal Income Tax purposes, had such institution been subject to the payment of income tax; and

(2) By the consistent application to the assets concerned of any generally accepted accounting method, and subject to the limitations of the Internal Revenue Code of 1954 as amended, including—

(i) The straight line method;

(ii) The declining balance method, using a rate not exceeding twice the rate which would have been used had the annual allowance been computed under the method described in (i) above;

(iii) The sum-of-the-years-digits method; and

(iv) Any other consistent method productive of an annual allowance which, when added to all allowances for the period commencing with the use of the property and including the current year, does not during

the first two-thirds of the useful life of the property exceed the total of such allowances which would have been used had such allowances been computed under the method described in (ii) above.

(v) Where the depreciation method is followed, adequate property records must be maintained. The period of useful service (service life) established in each case for usable capital assets must be determined on a realistic basis which takes into consideration such factors as type of construction, nature of the equipment used, technological developments in the particular area, and the renewal and replacement policies followed for the individual items or classes of assets involved. Where the depreciation method is introduced for application to assets acquired in prior years, the annual charges therefrom must not exceed the amounts that would have resulted had the depreciation method been in effect from the date of acquisition of such assets.

(vi) Depreciation on idle or excess facilities shall not be allowed except on such facilities as are reasonably necessary for standby purposes. (See G. 13.)

(vii) Where an institution elects to go on a depreciation basis for a particular class of assets, no depreciation, rental or use charge may be allowed on any such assets that would be viewed as fully depreciated. *Provided, however,* that reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the actual replacement policy followed in the light of service lives used for calculating depreciation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

(viii) Where the use allowance method is followed, the use allowance for buildings and improvements will be computed at an annual rate not exceeding 2 percent of acquisition cost. The use allowance for equipment will be computed at an annual rate not exceeding 6⅔ percent of acquisition cost of usable equipment in those cases where the institution maintains current records with respect to such equipment on hand. Where the institution's records reflect only the cost (actual or estimated) of the original complement of equipment, the use allowance will be computed at an annual rate not exceeding 10 percent of such cost. Original complement for this purpose means the complement of equipment initially placed in buildings to perform the functions currently being performed in such buildings; however, where a permanent change in the function of a building takes place, a redetermination of the original complement of equipment may be made at that time to establish a new original complement. In those cases where no equipment records are maintained, the institution will justify a reasonable estimate of the acquisition cost of usable equipment which may be used to compute the use allowance at an annual rate not exceeding 6⅔ percent of such estimate.

(ix) Depreciation and/or use charges should usually be allocated to all activities as an indirect cost.

11. *Employee morale, health, welfare costs, and credits.* (a) Employee morale, health, and welfare activities are those services or benefits provided by the institution to its employees to improve working conditions, employer-employee relations, employee morale, and employee performance. Such activities include house publications, health or first-aid clinics, recreation, employee counseling services and, for the purpose of this paragraph, food and dormitory services. Food and dormitory services include operating or furnishing facilities for cafeterias, dining rooms, canteens, lunch wagons, vending machines, living accommodations, or similar types of services for the institution's employees at or near its facilities.

(b) Except as limited by (c) below, the aggregate of costs incurred on account of all activities mentioned in (a) above, less income generated by all such activities is allowable to the extent that the net amount is reasonable.

(c) Losses from the operation of food and dormitory services may be included as cost incurred under (b) above, only if the institution's objective is to operate such services on a break-even basis. Losses sustained because food services or lodging accommodations are furnished without charge or at prices or rates which obviously would not be conducive to accomplishment of the above objective, are not allowable, except that a loss may be allowed to the extent the institution can demonstrate that unusual circumstances exist (e.g., (i) where the institution must provide food or dormitory services at remote locations where adequate commercial facilities are not reasonably available or (ii) where it is necessary to operate a facility at a lower volume than the facility could economically support) such that, even with efficient management, operation of the services on a break-even basis would require charging inordinately high prices or prices or rates higher than those charged by commercial establishments offering the same services in the same geographical areas.

(d) In those situations where the institution has an arrangement authorizing an employee association to provide or operate a service such as vending machines in the institution's plant, and retain the profits derived therefrom, such profits shall be treated in the same manner as if the institution were providing the service (but see (e)).

(e) Contributions by the institution to an employee organization, including funds set over from vending machine receipts or similar sources, may be included as cost incurred under (b) above only to the extent that the institution demonstrates that an equivalent amount of the costs incurred by the employee organization would be allowable if incurred by the institution directly.

12. *Entertainment costs.* Costs of amusement, diversion, social activities, ceremonials, and incidental costs relating thereto, such as meals, lodging, rentals, transportation, and gratuities, are unallowable (but see G–11 and G–43).

13. *Excess facility costs.* (a) As used in this paragraph, the words and phrases defined in this subparagraph (a) shall have the meanings set forth below.

(1) Facilities means plant or any portion thereof (inclusive of land integral to the operation); equipment individually or collectively; or any other tangible capital asset, wherever located, and whether owned or leased by the institution.

(2) Idle Facilities means completely unused facilities that are excess to the institution's current needs.

(3) Idle Capacity means the unused capacity of partially used facilities. It is the difference between that which a facility could achieve under 100 percent operating time on a one shift basis less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays, and the extent to which the facility was actually used to meet demands during the accounting period. (A multiple shift basis may be used if it can be shown that this amount of usage could normally be expected for the type of facility involved.)

(4) Costs of idle facilities or idle capacity are costs such as maintenance, repair, housing, rent, and other related costs, e.g., property taxes, insurance, and depreciation.

(b) The costs of idle facilities are unallowable except to the extent that:

(i) They are necessary to meet fluctuations in workload; or

(ii) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of changes in program requirements, grantee/contractor efforts to produce more economically, reorganization, termination, or other causes which could not have been reasonably foreseen.

Under the exception stated in (ii) of this subparagraph (b), costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed 1 year, depending upon the initiative taken to use, lease, or dispose of such facilities (but see G.42(b) and (e)).

(c) The costs of idle capacity are normal costs of doing business and are a factor in the normal fluctuations of usage or overhead rates from period to period. Such costs are allowable, provided the capacity is reasonably anticipated to be necessary or was originally reasonable and is not subject to reduction or elimination by subletting, renting, or sale, in accordance with sound business, economics, or security practices. Widespread idle capacity throughout an entire plant or among a group of assets having substantially the same function may be idle facilities.

14. *Fines and penalties.* Costs of fines and penalties resulting from violations of, or failure of the institution to comply with, Federal, State, and local laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the grant or contract instructions in writing from the awarding agency.

15. *Fringe benefits.* (See G.–6–(g)–(5.)

16. *Independent research and development.* (a) An institution's independent research and development (I.R. & D.) is that research and development which is not sponsored by the Government or a non-Government organization or agency under a grant/contract or other arrangement.

(b) Basic research, for the purpose of this document, is that type of research which is directed toward increase of knowledge within a particular discipline. In such research, the primary aim of the investigator is a fuller knowledge or understanding of the subject under study, rather than any practical application thereof. Applied research, for the purpose of this document consists of that type of effort which (1) is normally derived from the results of basic research, but may not be severable from the related basic research, (2) attempts to determine and expand the potentialities of new scientific discoveries or improvements in technology, materiels, processes, methods, devices, and techniques, and (3) attempts to "advance the state of the art." Applied research, does not include any such efforts when their principal aim is the design, development, or test of specific articles or services to be offered for sale, which are within the definition of the term development as defined in (c) below. Census research, for the purpose of this document, is that type of activity devoted to the compilation and interpretation of statistical and other analytical information acquired through survey (e.g. interview, circularization of questionnaires), observations or from books, treatises, articles or other sources relative to specifically defined activities, occurrences or conditions for the purpose of accomplishing some scientific end.

(c) "Development" is the systematic use of scientific knowledge which is directed toward the production of, or improvements in, useful products to meet specific performance

requirements, but exclusive of manufacturing and production engineering.

(d) Independent research and development will be treated in a manner consistent with the treatment of sponsored research and development. Accordingly, an institution's I.R. & D. shall be allocated in proportionate share of indirect costs on the same basis that indirect costs are allocated to sponsored research and development.

(e) The cost of an institution's I.R. & D. including its proportionate share of indirect costs, is unallowable.

17. *Insurance and indemnification.* (a) Insurance includes insurance which the institution is required to carry, or which is approved, under the terms of the grant or contract and any other insurance which the institution maintains in connection with the general conduct of its business.

(1) Costs of insurance required or approved, and maintained, pursuant to the grant or contract are allowable.

(2) Costs of other insurance maintained by the institution in connection with the general conduct of its business are allowable subject to the following limitations:

(a) Types and extent of coverage shall be in accordance with sound business practice and the rates and premiums shall be reasonable under the circumstances;

(b) Costs allowed for business interruption or other similar insurance shall be limited to exclude coverage of profit;

(c) Costs of insurance or of any provision for a reserve covering the risk of loss of or damage to Government property are allowable only to the extent that the institution is liable for such loss or damage and such insurance or reserve does not cover loss or damage which results from willful misconduct or lack of good faith on the part of any of the institution's trustees, directors or officers, or other equivalent representatives, who have supervision or direction of (i) all or substantially all of the institution's business, or (ii) all or substantially all of the institution's operations at any one separate location in which the grant or contract is being performed, or who are specifically identified as the project director in the project or otherwise primarily responsible for the direction and/or execution of the project supported by the grant or contract.

(d) Provisions for a reserve under an approved self-insurance program are allowable to the extent that types of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks; and

(e) Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibilities are allowable only to the extent that the insurance represents additional compensation. (See G–6).

(3) Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the grant or contract, except:

(a) Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound business practice, are allowable; and

(b) Minor losses not covered by insurance, such as spoilage, breakage, and disappearance of supplies, which occur in the ordinary course of doing business, are allowable.

(b) Indemnification includes securing the institution against liabilities to third persons and any other loss or damage not compensated by insurance or otherwise. The Government is obligated to indemnify the institution only to the extent expressly provided in (a) (3) above.

18. *Interest and other financial costs.* (a) Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable.

(b) Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are unallowable.

(c) Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are unallowable.

(d) Where substantial effort or time is devoted to fund raising and investment activities as described in (b) and (c) in relation to other functions of an institution, such activities shall be considered as a major activity of the institution and shall be allocated its share of indirect costs in accordance with section D. (See also C–2.)

19. *Labor relations costs.* Costs incurred in maintaining satisfactory relations between the institution and its employees, including costs of labor management committees, employee publications, and other related activities, are allowable.

20. *Losses on other grants or contracts.* Any excess of costs over income on any grant or contract is unallowable as a cost of any other grant or contract.

21. *Maintenance and repair costs.* (a) Costs necessary for the upkeep of property (including Government property unless otherwise provided for), which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are to be treated as follows (but see G–10):

(1) Normal maintenance and repair costs are allowable:

(2) Extraordinary maintenance and repair costs are allowable, provided such are allocated to the periods to which applicable for purposes of determining grant or contract costs.

(b) Expenditures for plant and equipment, including rehabilitation thereof, which, according to generally accepted accounting principles as applied under the institution's established policy, should be capitalized and subjected to depreciation, are allowable only on a depreciation basis.

22. *Materiels costs.* (a) The cost of consumable supplies, serum, drugs, fabricated parts, and other materiels necessary to carry out the objectives of a grant or contract, whether purchased outside or manufactured by the institution are allowable subject to the provisions (b) through (e) below. The cost may include such collateral items as inbound transportation and intransit insurance.

In computing these costs consideration will be given to reasonable overruns, spoilage, or defective work if consistent with the nature of the project being performed and the recognized practice of the industry.

(b) Costs of materiel shall be suitably adjusted for applicable portions of income and other credits, including available trade and cash discounts, refunds, rebates, allowances, and credits for scrap and salvage and materiel returned to vendors. Such income and other credits shall either be credited directly to the cost of the materiel involved or be allocated (as credits) to indirect costs. However, where the institution can demonstrate that failure to take cash discounts was due to reasonable circumstances, such lost discounts need not be so credited.

(c) Reasonable adjustments arising from differences between periodic physical inventories and book inventories may be included in arriving at costs, provided such adjustments relate to the period of performance of the grant or contract.

(d) When the materiels are purchased specifically for and identifiable solely with performance under a grant or contract, the actual purchase cost thereof should be charged to that grant or contract. If materiel is issued from stores, any generally recognized method of pricing such materiel is acceptable if that method is consistently applied and the results are equitable. When estimates of materiel costs to be incurred in the future are required, either current market price or anticipated acquisition cost may be used, but the basis of pricing must be disclosed.

(e) Allowance for all materiels, supplies and services which are sold or transferred between any division, subsidiary or affiliate of the institution under a common control shall be on the basis of cost incurred in accordance with these principles, except that when it is the established practice of the transferring organization to price interorganization transfers of materiels, supplies and services at other than cost for non-Government work of the institution or any division, subsidiary or affiliate of the institution under a common control, allowance may be at a price when:

(1) It is or is based on an "established catalog or market price of commercial items sold in substantial quantities to the general public;" or

(2) It is the result of "adequate price competition" and is the price at which an award was made to the affiliated organization after obtaining quotations on an equal basis from such organization and one or more outside sources which normally produce the item or its equivalent in significant quantity.

Provided, that in either case:

(1) The price is not in excess of the transferor's current sales price to his most favored customer (including any division, subsidiary, or affiliate of the institution under a common control) for a like quantity under comparable conditions, and

(2) The price is not determined to be unreasonable by the awarding agency.

The price determined in accordance with (1) above should be adjusted, when appropriate, to reflect the quantities being procured and may be adjusted upward or downward to reflect the actual cost of any modifications necessary because of grant or contract requirements.

23. *Organization costs.* Expenditures, such as incorporation fees, attorney's fees, accountant's fees, broker's fees, fees to promoters and organizers, in connection with (a) organization or reorganization of a business, or (b) raising capital, are unallowable unless specified otherwise in the grant or contract.

24. *Other business expenses.* Included in this item are such recurring expenses as preparation and publication of reports to members and trustees; preparation and submission of required reports and forms to taxing and other regulatory bodies; and incidental costs of director and committee meetings. The above and similar costs are allowable when allocated on an equitable basis.

25. *Overtime, extra-pay shift and multishift premiums.* Premiums for overtime, extra-pay shifts, and multishift work are allowable only to the extent approved by the awarding agency except:

(a) When necessary to cope with emergencies, such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(b) When by indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(c) In the performance of tests, laboratory procedures, or other similar operations which are continuous in nature and cannot reason-

ably be interrupted or otherwise completed; or

(d) When lower overall cost to the Government will result.

Overtime premiums and shift premiums may be considered proper for approval when determined in writing by the awarding agency that approval:

(a) Is necessary to meet delivery or performance schedules, and such schedules are determined to be extended to the maximum consistent with essential program objectives;

(b) Is necessary to make up for delays which are beyond the control and without the fault or negligence of the institution;

(c) Is necessary to eliminate foreseeable bottlenecks of an extended nature which cannot be eliminated in any other way.

Approvals should ordinarily be prospective, but may be retroactive where justified by the circumstances. Such approvals may be for an individual grant or contract project, or program, or for a division, department, or branch, as most practicable.

Overtime for which overtime premiums would be at Government expense should not be approved under an award where the institution is already obligated, without the right to additional compensation, to meet the required delivery date.

Where overtime premiums or shift premiums are being paid at Government expense in connection with the performance of Government grant or contract the continued need therefor should be subject to periodic review by the awarding agency.

26. *Patent and copyright costs.* Costs of preparing disclosures, reports, and other documents required by the grant/contract and of searching the art to the extent necessary to make such disclosures, are allowable. In accordance with the conditions of the grant or contract relating to patents or copyrights, costs of preparing documents and any other costs, in connction with the filing of a patent application or copyright where title is conveyed to the Government, are allowable. However, similar costs incurred in connection with patents or copyrights where title is not conveyed to the Government are unallowable. (See G–39.)

27. *Pension plans.* (See G–6(g)–(4).)

28. *Plant protection costs.* Costs of items such as (a) wages, uniforms, and equipment of personnel engaged in plant protection, (b) depreciation on plant protection capital assets, and (c) necessary expenses to comply with security requirements are allowable.

29. *Plant reconversion costs.* Plant reconversion costs are those incurred in the restoration or rehabilitation of the institution's facilities to approximately the same condition existing immediately prior to the commencement of the grant or contract work, fair wear and tear excepted. Reconversion costs are unallowable except for the cost of removing Government property and the restoration or rehabilitation costs caused by such removal. However, in special circumstances where equity so dictates, additional costs may be allowed to the extent agreed upon in writing before the costs are incurred. Whenever such costs are given consideration, care should be exercised to avoid duplication through allowance as contingencies, as additional profit or fee, or in other grants or contracts.

30. *Preaward costs.* Preaward costs are those incurred prior to the effective date of the grant or contract directly pursuant to the negotiation and in anticipation of the award of the grant or contract where such incurrence is necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the prior written approval of the awarding agency.

31. *Professional service cost—legal, accounting, scientific and other.* (a) Costs of professional services rendered by members of a particular profession who are not employees of the institution are allowable, subject to (b), (c) and (d) below, when reasonable in relation to the services rendered. (But see G–23.)

(b) Factors to be considered in determining the allowability of costs in a particular case include:

(1) The nature and scope of the service rendered in relation to the service required;

(2) The necessity of contracting for the service considering the institution's capability in the particular area;

(3) The past pattern of such costs, particularly in years prior to the award of Government work;

(4) The impact of Government work on the institution's business (i.e., what new problems have arisen);

(5) Whether the proportion of Government work to the institution's total business is such as to influence the institution in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Government grants/contracts;

(6) Whether the service can be performed more economically by employment rather than by contracting;

(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-government grants/contracts;

(8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation; termination provisions).

(c) Retainer fees to be allowable must be reasonably supported by evidence of bona fide services available or rendered.

(d) Costs of legal, accounting, and consulting service, and related costs, incurred in connection with organization and reorganization, defense of anti-trust suits, and the prosecution of claims against the Government, are unallowable. Costs of legal, accounting, and consulting services, and related costs, incurred in connection with patent or copyright infringement litigation, are unallowable unless otherwise provided for in the grant or contract.

32. *Profits and losses on disposition of plant equipment, or other capital assets.* Profits or losses of any nature arising from the sale or exchange of plant, equipment, or other capital assets, including sale or exchange of either short- or long-term investments, shall be excluded in computing grant or contract costs.

33. *Public information services costs.* Public information services costs include the costs associated with promotions, public relations, pamphlets, news releases, and other forms of information services. Such costs are normally incurred to:

(a) Inform or instruct individuals, groups or the general public about health or social problems;

(b) Interest individuals or groups in participating in a service program of the institution;

(c) Provide stewardship reports to State and local Government agencies, benefactor foundations and associations, etc.;

(d) Appeal for funds;

(e) Disseminate the results of sponsored and non-sponsored research or other activity to the scientific community.

To the extent that the costs incurred for any of these purposes are identifiable with a particular cost objective they should be charged to the objective to which they relate.

If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all major activities of the institution except that costs related to fund-raising appeals are unallowable as costs of grants and contracts.

Public information service costs are unallowable as a direct cost of grants and contracts unless formally approved by the awarding agency.

34. *Publication and printing costs.* Publication costs include the costs of printing (including the processes of composition, platemaking, press work, binding and the end products produced by such processes), distribution, promotion, mailing and general handling.

Publication costs are unallowable as a direct cost of grants and contracts unless formally approved by the awarding agency.

35. *Rearrangement and alteration costs.* Costs incurred for ordinary or normal rearrangement and alteration of facilities are allowable. Special arrangement and alteration costs incurred specifically for the project are allowable when written approval has been given in advance by the awarding agency.

36. *Recruitment costs.* (a) Subject to (b), (c), and (d) of this G–36, and provided that the size of the staff recruited and maintained is in keeping with workload requirements, costs of help-wanted advertising, operating costs of an employment office necessary to secure and maintain an adequate labor force, costs of operating an aptitude and educational testing program, travel costs of employees while engaged in recruiting personnel, and travel costs of applicants for interviews for prospective employment are allowable to the extent that such costs are incurred pursuant to a well managed recruitment program. Where the institution uses employment agencies, costs not in excess of standard commercial rates for such services are allowable.

(b) In publications, costs of help-wanted advertising that (1) includes color, (2) includes advertising materiel for other than recruitment purposes, or (3) is excessive in size (taking into consideration recruitment purposes for which intended and normal business practices in this respect) are unallowable.

(c) Costs of (1) help-wanted advertising and (2) excessive salaries, fringe benefits, and special emoluments that have been offered to prospective employees, designed to attract personnel from another institution performing as grantee or contractor to the Government, or in excess of the standard practices in comparable institutions, are unallowable.

(d) Where relocation costs incurred incident to recruitment of a new employee have been allowed either as an allocable direct or indirect cost and the newly hired employee resigns for reasons within his control within 12 months after hire, the institution shall be required to refund or credit such relocation costs to the Government.

37. *Relocation costs.* (a) Relocation costs, for the purpose of this document, are costs incident to the permanent change of duty assignment (for an indefinite period, or for a stated period of no less than 12 months) of an existing employee or upon recruitment of a new employee. These costs may include, but are not limited to cost of (i) transportation of the employee, members of his immediate family and his household and personal effects to the new location; (ii) finding a new home, such as advance trips by employees and spouses to locate living quarters and temporary lodging during the transition period; (iii) closing costs (i.e., brokerage fees, legal fees, appraisal fees, etc.), incident to the disposition of housing; (iv) other necessary and reasonable expenses normally incident to relocation, such as cost of cancelling an unexpired lease, disconnecting or reinstalling household appliances, and purchase of insurance against damages to personal property; (v) loss on sale of home; and (vi) acquisition

of a home in a new location (i.e., brokerage fees, legal fees, appraisal fees, etc.).

(b) Subject to (c) below, relocation costs of the type covered in (a) (i), (ii), (iii), and (iv) above are allowable, provided (i) the move is for the benefit of the employer; (ii) reimbursement is in accordance with an established policy or practice consistently followed by the employer, and such policy or practice is designed to motivate employees to relocate promptly and economically; (iii) the costs are not otherwise unallowable under the provisions of G-36 or any other paragraph of this document and (iv) amounts to be reimbursed shall not exceed the employee's actual (or reasonably estimated) expenses.

(c) Costs otherwise allowable under (b) above are subject to the following additional provisions: (i) the transition period for incurrance of costs of the type covered in (a) (ii) above shall be kept to the minimum number of days necessary under the circumtances, but shall not, in any event, exceed a cumulative total of 30 days including advance trip time; and (ii) allowance for cost of the type covered in (a) (iii) above shall not exceed 8 percent of the sales price of the property sold. Costs of the type covered in (a) (iii) and (iv) above are allowable only in connection with the relocation of existing employees, and are not allowable for newly recruited employees.

(d) Costs of the type covered in (a) (v) and (vi) above are not allowable.

38. *Rental costs (including sale and leaseback of facilities).* (a) Rental costs of land, building, and equipment and other personal property are allowable if the rates are reasonable in light of such factors as rental costs of comparable facilities and market conditions in the area, the type, life expectancy, condition, and value of the facilities leased, options available, and other provisions of the rental agreement. Application of these factors, in situations where rentals are extensively used, may involve among other considerations, comparison of rental costs with the amount which the institution would have received had it owned the facilities.

(b) Charges in the nature of rent between plants, divisions, or organizations under common control are allowable to the extent such charges do not exceed the normal costs of ownership, such as depreciation, taxes, insurance, and maintenance: *Provided*, That no part of such costs shall duplicate any other allowed costs.

(c) Unless otherwise specifically provided in the grant or contract, rental costs specified in sale and leaseback agreements, incurred by institutions through selling plant facilities to investment organizations, such as insurance companies, associate institutions, or to private investors, and concurrently leasing back the same facilities, are allowable only to the extent that such rentals do not exceed the amount which the grantee/contractor would have received had it retained legal title to the facilities.

(d) Rentals for land, building and equipment and other personal property owned by affiliated organizations including corporations or by stockholders, members, directors, trustees, officers or other key personnel of the institution or their families either directly or through corporations, trusts or other similar arrangements in which they hold a more than token interest are allowable only to the extent that such rentals do not exceed the amount the institution would have received had legal title to the facilities been vested in it.

(e) The allowability of rental costs under unexpired leases in connection with terminations is treated in G-42(e).

39. *Royalties and other costs for use of patents and copyrights.* (a) Royalties on a patent or copyright or amortization of the cost of acquiring by purchase a copyright, patent or rights thereto, necessary for the proper performance of the grant or contract applicable to grant products or processes, are allowable unless:

(1) The Government has a license or the right to free use of the patent;

(2) The patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid;

(3) The patent or copyright is considered to be unenforceable; or

(4) The patent or copyright is expired.

(b) Special care should be exercised in determining reasonableness where the royalties may have been arrived at as a result of less than arm's-length bargaining; e.g.:

(1) Royalties paid to persons, including corporations, affiliated with the institution;

(2) Royalties paid to unaffiliated parties, including corporations, under an agreement entered into in contemplation that a Government grant or contract would be awarded; or

(3) Royalties paid under an agreement entered into after the award of the grant or contract.

(c) In any case involving a patent or copyright formerly owned by the institution, the amount of royalty allowed should not exceed the cost which would have been allowed had the institution retained title thereto.

40. *Severance pay.* (a) Severance pay, also commonly referred to as dismissal wages, is a payment in addition to regular salaries and wages, by institutions to workers whose employment is being terminated. Costs of severance pay are allowable only to the extent that, in each case, it is required by (1) law, (2) employer-employee agreement, (3) established policy that constitutes, in effect, an implied agreement on the institution's part, or (4) circumstance of the particular employment.

(b) Costs of severance payments are divided into two categories as follows:

(1) Actual normal turnover severance payments shall be allocated to all work performed in the institution's facilities; or, where the institution provides for accrual of pay for normal severances, such method will be acceptable if the amount of the accrual is reasonable in light of payments actually made for normal severances over a representative past period, and if amounts accrued are allocated to all work performed in the institution's facilities; and

(2) Abnormal or mass severance pay is of such a conjectural nature that measurement of costs by means of an accrual will not achieve equity to both parties. Thus, accruals for this purpose are not allowable. However, the Government recognizes its obligation to participate, to the extent of its fair share, in any specific payment. Thus, allowability will be considered on a case-by-case basis in the event of occurrence.

41. *Taxes.* (a) Taxes are certain charges levied by Federal, State, or local governments. They do not include fines and penalties except as otherwise provided herein. In general, taxes which the institution is required to pay and which are paid or accrued in accordance with generally accepted accounting principles are allowable, except for:

(1) Federal income taxes and similar levies against income of the institution derived from activities unrelated to the project supported by the grant or contract;

(2) Taxes in connection with financing, refinancing, or refunding operations (see G-18);

(3) Taxes from which exemptions are available to the institution directly or available to the institution based on an exemption afforded the Government except when the awarding agency determines that the administrative burden incident to obtaining the exemption outweighs the corresponding benefits accruing to the Government;

(4) Special assessments on land which represent capital improvements; and

(5) Taxes on any category of property which is used solely in connection with work other than on Government grants or contracts. (Taxes on property used solely in connection with either non-Government or Government work should be considered directly applicable to the respective category of work unless the amounts involved are insignificant or comparable results would otherwise be obtained.)

(b) Taxes otherwise allowable under paragraph (a) of this section, but upon which a claim of illegality or erroneous assessment exists, are allowable provided the institution, prior to payment of such taxes:

(1) Promptly requests instructions from the awarding agency concerning such taxes, and

(2) Takes all action directed by the awarding agency arising out of subparagraph (1) of this paragraph or an independent decision of the Government as to the existence of a claim of illegality or erroneous assessment, including cooperation with and for the benefit of the Government to (i) determine the legality of such assessment, or (ii) secure a refund of such taxes.

Reasonable costs of any such action undertaken by the institution at the direction or with the concurrence of the awarding agency are allowable. Interest and penalties incurred by an institution by reason of the nonpayment of any tax at the direction of the awarding agency or by reason of the failure of the awarding agency to issue timely direction after prompt request therefor, are also allowable.

(c) Any refund of taxes, interest, or penalties, and any payment to the institution of interest thereon, attributable to taxes, interest, or penalties which were allowed as project costs, shall be credited or paid to the Government in the manner directed by the Government, provided any interest actually paid or credited to an institution incident to a refund of tax, interest or penalty shall be paid or credited to the Government only to the extent that such interest accrued over the period during which the institution had been reimbursed by the Government for the taxes, interest or penalties.

42. *Termination costs.* Grants and contracts terminations generally give rise to the incurrence of costs, or the need for special treatment of costs, which would not have arisen had the project not been terminated. Cost principles covering these items are set forth below. They are to be used in conjunction with the remainder of this document in termination situations.

(a) *Common items.* The cost of items reasonably usable on the institution's other work shall not be allowable unless the institution submits evidence that it could not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the institution, the awarding agency should consider the institution's plans and orders for current and scheduled production. Contemporaneous purchases of common items by the institution shall be regarded as evidence that such items are reasonably usable on the institution's other work. Any acceptance of common items as allocable to the terminated portion of the project should be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

(b) *Costs continuing after termination.* If in a particular case, despite all reasonable efforts by the institution, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this document, except that any such

costs continuing after termination due to the negligent or willful failure of the institution to discontinue such costs shall be considered unallowable.

(c) *Initial costs.* Initial costs, including starting load and preparatory costs, are allowable, subject to the following:

(1) Starting load costs are costs of a nonrecurring nature arising in the early stages of operation, investigation or production and not fully absorbed because of the termination. Such costs may include the cost of labor and materiel, and related indirect cost attributable to such factors as:

(a) Excessive spoilage resulting from inexperienced labor;

(b) Idle time and subnormal production occasioned by testing and changing methods of processing;

(c) Employee training; and

(d) Unfamiliarity or lack of experience with the product, materiels, manufacturing processes, and techniques.

(2) Preparatory costs are costs incurred in preparing to perform the terminated project including costs of initial plant rearrangement and alterations, management and personnel organization, production planning and similar activities, but excluding special machinery and equipment and starting load costs.

(3) If initial costs are claimed and have not been segregated on the institution's books, segregation for settlement purposes shall be made from cost reports and schedules which reflect the high unit cost incurred during the early stages of the project.

(4) When the settlement proposal is on the inventory basis, initial costs should normally be allocated on the basis of total end items called for by the project immediately prior to termination; however, if the project includes end items of a diverse nature, some other equitable basis may be used, such as machine or labor hours.

(5) When initial costs are included in the settlement proposal as a direct charge, such costs shall not also be included in overhead.

(6) Initial costs attributable to only one project shall not be allocated to other projects.

(d) *Loss of useful value.* Loss of useful value of special tooling and special machinery and equipment is generally allowable if:

(1) Such special tooling, machinery, or equipment is not reasonably capable of use in the other work of the institution;

(2) Tne interest of the Government is protected by transfer of title or by other means deemed appropriate by the awarding agency and

(3) The loss of useful value as to any one terminated project is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the project bears to the entire terminated project and other Government projects for which the special tooling and special machinery and equipment were acquired.

(e) *Rental costs.* Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated project less the residual value of such leases, if:

(1) The amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the project and such further period as may be reasonable; and

(2) The institution makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease.

There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the project, and of reasonable restoration required by the provisions of the lease.

(f) *Settlement expenses.* Settlement expenses including the following are generally allowable:

(1) Accounting, legal, clerical, and similar costs reasonably necessary for—

(a) The preparation and presentation to awarding agency of settlement claims and supporting data with respect to the terminated portion of the project, and

(b) The termination and settlement of subcontracts; and

(2) Reasonable costs for the storage, transportation, protection, and disposition of property acquired or produced for the project.

(g) *Subcontractor claims.* Subcontractor claims, including the allocable portion of claims which are common to the project and to other work of the institution are generally allowable.

43. *Trade, Business, Technical, and Professional Activity Costs*—(a) *Membership.* This category includes costs of memberships in trade, business, technical, and professional organizations. Such costs are allowable.

(b) *Subscriptions.* This item includes cost of subscriptions to trade, business, professional, or technical periodicals. Such costs are allowable.

(c) *Meetings and conferences.* This item includes costs of meals, transportation, rental of facilities for meetings, and costs incidental thereto, when the primary purpose of the incurrence of such costs is the dissemination of technical information or stimulation of production. Such costs are allowable.

44. *Training and educational costs.* (a) The costs of training courses taken by a bona fide employee to acquire basic skills which he should bring to the job or to qualify a person for duties other than those related to an institution's goals are unallowable.

(b) Costs of on-the-job training and part-time education, at an undergraduate or post-graduate college level, related to the job requirements of bona fide employees, identified in (1) through (5) below, are allowable.

(1) Training materiels;

(2) Textbooks;

(3) Fees charged by the educational institution;

(4) Tuition charged by the educational institution, or in lieu of tuition, instructors' salaries and the related share of indirect cost of the educational institution to the extent that the sum thereof is not in excess of the tuition which would have been paid to the participating educational institution; and

(5) Straight-time compensation of each employee for time spent attending classes during working hours not in excess of 156 hours per year where circumstances do not permit the operation of classes or attendance at classes after regular working hours.

(c) Costs of tuition, fees, training materiels and textbooks (but not subsistence, salary, or any other emoluments) in connection with full time scientific and medical education at a post-graduate (but not undergraduate) college level related to the job requirements of bona fide employees for a total period not to exceed 1 school year for each employee so trained, are allowable when approved in writing by the awarding agency.

(d) Grants to educational or training institutions, including the donation of facilities or other properties, scholarships, or fellowships, are considered contributions and are unallowable.

45. *Transportation costs.* Transportation costs include freight, express, cartage, and postage charges relating either to goods purchased, in process, or delivered. These costs are allowable. When such costs can readily be identified with the items involved, they may be directly costed as transportation costs or added to the cost of such items (see G-22).

Where identification with the materiels received cannot readily be made, inbound transportation costs may be charged to the appropriate indirect cost accounts if the institution follows a consistent, equitable procedure in this respect. Outbound freight, if reimbursable under the terms of the grant or contract, shall be treated as a direct cost.

46. *Travel costs.* (a) Travel costs include costs of transportation, lodging, subsistence, and incidental expenses, incurred by institution personnel in a travel status while on official business.

(b) Travel costs may be based upon actual costs incurred, or on a per diem or mileage basis in lieu of actual costs, or on a combination of the two, provided the method used does not result in an unreasonable charge. The difference in cost between first-class and less than first-class air accommodations is unallowable except when less than first-class air accommodations are not reasonably available to meet necessary mission requirements, such as where less than first-class accommodations would (1) require circuitous routing, (2) require travel during unreasonable hours, (3) greatly increase the duration of the flight, (4) result in additional costs which would offset the transportation savings, or (5) offer accommodations which are not reasonably adequate for the medical needs of the traveler.

(c) Travel costs incurred in the normal course of overall administration of the business are allowable and shall be treated as indirect costs.

(d) Travel costs directly attributable to specific grant or contract performance are allowable and may be charged to the grant or contract in accordance with the principle of direct costing (see section C).

(e) Costs of personnel movement of a special or mass nature are allowable only when authorized or approved in writing by the sponsoring agency.

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PART III

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Social and Rehabilitation Service

■

GRANT PROGRAM REGULATIONS AND PRINCIPLES FOR DETERMINING ALLOWABLE COSTS

Title 45—Public Welfare

CHAPTER II—SOCIAL AND REHABILITATION SERVICE (ASSISTANCE PROGRAMS), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 201—GRANTS TO STATES FOR PUBLIC ASSISTANCE PROGRAMS

PART 220—SERVICE PROGRAMS FOR FAMILIES AND CHILDREN: TITLE IV PARTS A AND B OF SOCIAL SECURITY ACT

Miscellaneous Amendments

The following amendments relate the grant program regulations in Chapter II to 45 CFR Part 74, which is a new Department of Health, Education, and Welfare (DHEW) regulation published in this issue of the FEDERAL REGISTER. Part 74 provides a regulatory umbrella for DHEW implementation of Office of Management and Budget (OMB) Circular No. A-102, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments." Part 74 also established (in Subpart Q) principles for determining allowable costs under DHEW grants to the various types of grantee organizations. The principles have hitherto been published by DHEW only in manual and brochure format.

Effect on grants to State and local governments. Part 74 is mandatorily applicable (with certain exceptions) to DHEW grants to State or local governments (as defined in Subpart A of Part 74). For such grants, these amendments add blanket cross-references to those subparts of Part 74 which are mandatorily applicable. However, current regulations pertaining to matching and cost sharing will continue to apply to all programs under Chapter II, and current financial reporting requirements will continue to apply to programs under titles I, IV-A, X, XIV, XVI, and XIX of the Social Security Act.

Cost principles. Cross-references to Subpart Q, "Cost Principles," of Part 74 are also added by these amendments, since that subpart is applicable to all DHEW grants.

Conflicting provisions. These amendments also revoke or modify, as appropriate, those specific provisions in Chapter II which would have conflicted with Part 74.

Omission of notice of proposed rulemaking. Notice of proposed rulemaking and delay in effective date have been omitted as unnecessary in the issuance of these amendments which relate solely to administrative requirements for grants for public assistance and child welfare services programs.

Opportunity to comment. Written comments concerning these amendments are invited from interested persons. Comments may be addressed to the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201. All comments received will be available for public inspection at Room 4829, 400 Sixth Street SW., Washington, D.C., between the hours of 9 a.m. and 5:30 p.m. weekdays, Federal holidays excepted.

Effective date.—The amendments shall become effective on September 19, 1973.

Dated September 7, 1973.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Chapter II of Title 45 of the Code of Federal Regulations is amended as set forth below:

1. Section 201.5 of Part 201 is amended by adding a new paragraph (e) as follows:

§ 201.5 Grants.

* * * * *

(e) *General administrative requirements.* With the following exceptions, the provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants made to States under this part:

45 CFR PART 74

Subpart G Matching and Cost Sharing.
Subpart I Financial Reporting Requirements.

§ 220.75 [Revoked]

2. Section 220.75 is revoked.

3. Section 220.79 is amended to read as follows:

§ 220.79 Refunds.

Amounts refunded or repaid to the State shall be reported for any necessary adjustments in accordance with § 220.74(c).

§ 220.81 [Revoked]

4. Section 220.81 is revoked.

5. Subpart D of Part 220 is amended by adding a new § 220.85, reading as follows:

§ 220.85 Other administrative requirements.

The provisions of Part 74 of this title (with the exception of Subpart G, Matching and Cost Sharing), establishing uniform administrative requirements and cost principles, shall apply to all grants made to States under this subpart.

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CHAPTER IV—SOCIAL AND REHABILITATIVE SERVICE (REHABILITATION PROGRAMS), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 401—THE STATE VOCATIONAL REHABILITATION PROGRAM

PART 403—SPECIAL PROJECTS IN VOCATIONAL REHABILITATION

PART 404—PROJECT GRANTS AND ASSISTANCE FOR REHABILITATION FACILITIES

PART 405—RESEARCH AND DEMONSTRATION

PART 406—TRAINING AND TRAINEESHIPS

PART 408—PROJECT GRANTS FOR REHABILITATION OF THE MENTALLY RETARDED

PART 416—DEVELOPMENTAL DISABILITIES PROGRAM AND GRANTS FOR INITIAL STAFFING OF COMMUNITY MENTAL RETARDATION FACILITIES

Miscellaneous Amendments

The following amendments conform the affected grant program regulations in Chapter IV with 45 CFR Part 74, which is a new Department of Health, Education, and Welfare (DHEW) regulation published in this issue of the FEDERAL REGISTER. Part 74 provides a regulatory umbrella for DHEW implementation of Office of Management and Budget (OMB) Circular No. A-102, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments." Part 74 also establishes (in Subpart Q) principles for determining allowable costs under DHEW grants to the various types of grantee organizations. These principles have hitherto been published by DHEW only in manual and brochure format.

Effect on grants to State and local governments. Part 74 is mandatorily applicable (with certain exceptions) to DHEW grants to State or local governments (as defined in Subpart A of Part 74). For such grants, these amendments add blanket cross-references to those subparts of Part 74 which are mandatorily applicable. However, current regulations pertaining to matching and cost sharing will continue to apply in formula grant programs.

Effect on grants to other organizations. Those subparts of Part 74 which are derived from OMB Circular No. A-102 have been designed so that, where determined to be appropriate, they may be made applicable to DHEW grants to organizations which are not State or local governments. The following subparts of Part 74 have been determined to be appropriate for application to such grants under this Chapter IV and are specifically made so applicable by these amendments:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.

Cost principles. Cross-references to Subpart Q, "Cost Principles" of Part 74 are also added by these amendments, since that subpart is applicable to all DHEW grants.

Conflicting provisions. These amendments also revoke or modify, as appropriate, those specific provisions in Chapter IV which would have conflicted with Part 74.

Omission of notice of proposed rulemaking. Notice of proposed rulemaking and delay in effective date have been omitted as unnecessary in the issuance of these amendments which relate solely to grants for rehabilitation and developmental disabilities programs.

Opportunity to comment. Written comments concerning these amendments are invited from interested persons. Comments may be addressed to the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201. All comments received will be available for public inspection at room 4829, 400 Sixth Street SW., Washington, D.C., between the hours of 9 a.m. and 5:30 p.m. weekdays, Federal holidays excepted.

Effective date.—These amendments shall become effective September 19, 1973.

Dated September 7, 1973.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Chapter IV of Title 45 of the Code of Federal Regulations is amended as set forth below:

1. Subpart C, of Part 401, is amended by adding a new § 401.69, reading as follows:

§ 401.69 General administrative requirements.

The provisions of Part 74 of this title (with the exception of Subpart G, Matching and Cost Sharing) establishing uniform administrative requirements and cost principles, shall apply to all grants made to States under this part.

§§ 403.9, 403.29, 403.49, 404.48, 404.60, 404.93, 405.19, 406.19, 406.51 [Revised]

2. Sections 403.9, 403.29, 403.49, 404.48, 404.60, 404.93, 405.19, 406.19, and 406.51 are revised to read as follows:

Termination

(a) *Termination for cause.* The Administrator may terminate any grant in whole, or in part, at any time before the date of completion whenever it is determined that the grantee has materially failed to comply with the terms and conditions of the grant. The Administrator shall promptly notify the grantee in writing of the determination and the reasons for the termination, together with the effective date. Payments made to grantees or recoveries by the Administrator under grants terminated for cause shall be in accordance with the legal rights and obligations of the parties.

(b) *Termination on other grounds.*

(1) Except as provided in paragraph (a) of this section, grants may be terminated in whole or in part as follows:

(i) By the Administrator, with the consent of the grantee, in which case the two parties shall agree upon the termination conditions, including the effective date, and in the case of partial terminations, the portion to be terminated, or

(ii) By the grantee, upon written notification to the Administrator, setting forth the reasons for such termination, the effective date, and in the case of partial terminations, the portion to be terminated.

(2) When a grant is terminated pursuant to paragraph (b)(1) of this section, the grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Administrator shall allow full credit to the grantee for the Federal share of the noncancellable obligations properly incurred by the grantee prior to termination.

3. Section 401.77(b) is revised to read as follows:

§ 401.77 Purchase of goods, facilities, or services from other agencies of the State.

* * * * *

(b) Federal financial participation will be available in expenditures under the State plan for payment of costs of other public agencies pursuant to the principles and procedures prescribed by Subpart Q of Part 74 of this title.

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4. Subpart A of Part 403 is amended by adding a new § 403.16, reading as follows:

§ 403.16 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
- A General.
- B Cash Depositories
- C Bonding and Insurance.
- D Retention and Custodial Requirements for Records.
- F Grant-Related Income.
- G Matching and Cost Sharing.
- H Standards for Grantee Financial Management Systems.
- K Grant Payment Requirements.
- M Grant Closeout, Suspension, and Termination.
- O Property.
- Q Cost Principles.

5. Subpart B of Part 403 is amended by adding a new § 403.33, reading as follows:

§ 403.33 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
- A General.
- B Cash Depositories.
- C Bonding and Insurance.
- D Retention and Custodial Requirements. for Records.
- F Grant-Related Income.
- G Matching and Cost Sharing.
- H Standards for Grantee Financial Management Systems.
- K Grant Payment Requirements.
- M Grant Closeout, Suspension, and Termination.
- O Property.
- Q Cost Principles.

6. Subpart C of Part 403 is amended by adding a new § 403.50, reading as follows:

§ 403.50 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
- A General.
- B Cash Depositories.
- C Bonding and Insurance.
- D Retention and Custodial Requirements for Records.
- F Grant-Related Income.
- G Matching and Cost Sharing.
- H Standards for Grantee Financial Management Systems.
- K Grant Payment Requirements.
- M Grant Closeout, Suspension, and Termination.
- O Property.
- Q Cost Principles.

7. Subpart A of Part 404 is amended by adding a new § 404.6, reading as follows:

§ 404.6 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of that Part 74 shall also apply to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart
- A General.
- B Cash Depositories.
- C Bonding and Insurance.
- D Retention and Custodial Requirements for Records.
- F Grant-Related Income.
- G Matching and Cost Sharing.
- H Standards for Grantee Financial Management Systems.
- K Grant Payment Requirements.
- M Grant Closeout, Suspension, and Termination.
- O Property.
- Q Cost Principles.

§ 404.22 [Amended] and § 404.28 [Revoked]

8. Sections 404.22(c), 404.22(k)(2)(ii), and 404.28 are revoked.

9. Subpart B of Part 405 is amended by adding a new § 405.9, reading as follows:

§ 405.9 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

10. Subpart A of Part 406 is amended by adding a new § 406.5, reading as follows:

§ 406.5 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this part.

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

11. Part 408 is amended by revoking § 408.10 and by adding a new § 408.16, reading as follows:

§ 408.16 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this part to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this part:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirements for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

§ 416.15 [Amended]

12. In § 416.15(b), the words "as specified in § 416.38" are revoked.

§ 416.16 [Revoked]

13. Section 416.16 is revoked.

14. Section 416.25 is revised to read as follows:

§ 416.25 Methods of administration.

(a) *General.* The State plan shall provide for such methods of administration as are necessary for the proper and efficient operation of the plan. Such methods shall include provision for informing the general public in the State of the kinds and locations of services and facilities which are available under the State plan.

(b) *Other administrative requirements.* The provisions of Part 74 of this title (with the exception of Subpart G, Matching and Cost Sharing) establishing uniform administrative requirements and cost principles, shall apply to all grants made to States under this subpart.

15. Section 416.38 is revised to read as follows:

§ 416.38 Reports.

The State plan shall provide that the State agency or agencies will make such reports in such form and containing such information as the Administrator may require, and will keep such records and afford such access thereto as the Administrator finds necessary to assure the correctness and vertification of such reports. All reports shall be transmitted by the State Council to the Regional Commissioner.

§§ 416.74 and 416.75 [Amended]

16. Sections 416.74 and 416.75 are amended by deleting the parenthetical references.

17. Section 416.99 is revised to read as follows:

§ 416.99 Other administrative requirements.

The provisions of Part 74 of this title, establishing uniform administrative requirements and cost principles, shall apply to all grants under this subpart to State and local governments as those terms are defined in Subpart A of that Part 74. The relevant provisions of the following subparts of Part 74 shall also apply to grants to all other grantee organizations under this subpart:

45 CFR PART 74

Subpart
A General.
B Cash Depositories.
C Bonding and Insurance.
D Retention and Custodial Requirement for Records.
F Grant-Related Income.
G Matching and Cost Sharing.
H Standards for Grantee Financial Management Systems.
K Grant Payment Requirements.
M Grant Closeout, Suspension, and Termination.
O Property.
Q Cost Principles.

((5 U.S.C. 301) Office of Management and Budget Circulars A-102, A-87, and A-21)

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PART IV

ENVIRONMENTAL PROTECTION AGENCY

■

AIR PROGRAMS

Approval and Promulgation of Compliance Schedules; Correction

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER C—AIR PROGRAMS

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

Approval and Promulgation of Compliance Schedules

Correction

In FR Doc. 73-18629, appearing at page 24333, in the issue for Friday, September 7, 1973, the tables in § 52.524(c) should appear as set forth below:

Source*	Location	Regulation Involved	Date of Adoption	Effective Date	Final Compliance Date
		AIR QUALITY CONTROL REGION # 048			
		Brevard County			
Houdaille-Duval-Wright Company Permit no. AO 5-369	Sharpes, Florida	17-2.04(2)	4/17/73	Immediately	7/1/74
IGA Market Board Order AP-773-73	Melbourne, Florida	17-2.04(6)(a)	7/11/73	Immediately	7/1/75
Macasphalt Corporation, Florida Hot Mix Div. Permit no. AO 5-326	Eau Gallie, Florida	17-2.04(2)	4/17/73	Immediately	7/1/74
Orlando Utilities Commission, Indian River Plant					
Unit #1 Permit no. AO 5-505	Titusville, Florida	17-2.04(6)(e) 2.c	4/17/73	Immediately	7/1/75
Unit #2 Permit no. AO 5-506	Titusville, Florida	17-2.04(6)(e) 2.c	4/17/73	Immediately	7/1/75
Winn Dixie Stores, Inc. #10 Permit no. SO 5-112	Melbourne, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Winn Dixie Stores, Inc. #89 Permit no. SO 5-144	Eau Gallie, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Winn Dixie Stores, Inc. #104 Permit no. SO 5-113	Satellite Beach, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
		Lake County			
Florida Food Products Inc. Citrus Peel Dryer Permit no. AO 35-59	Eustis, Florida	17-2.04(2) & (4)	4/17/73	Immediately	6/1/75
Citrus Peel Cooler Permit no. AO 35-60		17-2.04(2) & (4)	4/17/73	Immediately	6/1/75
Growers Container Cooperative, Inc. Board Order - AP-789-73	Leesburg, Florida	17-2.04(6)(a)	7/11/73	Immediately	5/1/75
Macasphalt Corp. #9 Unit Permit no. AO 35-420	Astatula, Florida	17-2.04(2)	4/17/73	Immediately	7/1/74
Macasphalt Corp. #KG-20 Unit Permit no. AO 35-9	Okahumpka, Florida	17-2.04(2)	4/17/73	Immediately	6/30/73
Rolling Crate Co. Board Order - AP-787-73	Leesburg, Florida	17-2.04(2)	7/11/73	Immediately	7/1/75
		Orange County			
Basic Asphalt & Construction Corp. Permit no. AO 48-466	Lockhart, Florida	17-2.04(2)	4/17/73	Immediately	6/30/73
Fairvilla Fresh Fruit Co. (Coca Cola Foods Div.) Permit no. AO 48-751	Orlando, Florida	17-2.04(6)(e)	4/17/73	Immediately	7/1/75
Fairway Market Board Order - AP-788-73	Orlando, Florida	17-2.04(6)(a)	7/11/73	Immediately	7/1/75
Goodyear Recapping Industries Permit no. AO 48-464	Orlando, Florida	17-2.03(1)	4/17/73	Immediately	6/30/73
Orange Co. Concrete (Florida Mining & Materials Corp.) Permit no. AO 48-867	Orlando, Florida	17-2.04(2)	4/17/73	Immediately	9/30/73
Orlando General Hosp. Permit no. SO 48-419	Orlando, Florida	17-2.04(6)(a)	4/17/73	Immediately	9/18/73
Orlando Paving Co. Permit no. AO 48-2019	Pine Hills, Florida	17-2.04(2)	4/17/73	Immediately	6/1/74

Orlando Utilities Commission - Lake Highland Plant	Orlando, Florida				
Boiler #1 Permit no. AO 48-501		17-2.04(6)(e) 2.c	4/17/73	Immediately	7/1/75
Boiler #2 Permit no. AO 48-502		17-2.04(6)(e) 2.c	4/17/73	Immediately	7/1/75
Boiler #3 Permit no. AO 48-503		17-2.04(6)(e) 2.c	4/17/73	Immediately	7/1/75
Boiler #4 Permit no. AO 48-504		17-2.04(6)(e) 2.c	4/17/73	Immediately	7/1/75
Plymouth Citrus Products Cooperative	Plymouth, Florida				
Heil Dryer #6 Permit no. AO 48-3		17-2.04(2)	4/17/73	Immediately	11/30/73
Heil Dryer #5 Permit no. AO 48-4		17-2.04(2)	4/17/73	Immediately	11/30/73
Taft Asphalt Permit no. AO 48-518	Taft, Florida	17-2.04(2)	4/17/73	Immediately	7/1/74
Winter Garden Citrus Products Cooperative	Winter Garden, Florida				
Dryer #2 Permit no. AO 48-44		17-2.04(2)	4/17/73	Immediately	7/30/73
Dryer #4 Permit no. AO 48-46		17-2.04(2)	4/17/73	Immediately	7/30/73
Winter Park Memorial Hospital Permit no. SO 48-402	Winter Park, Florida	17-2.04(6)(a)	4/17/73	Immediately	5/15/74
Winn Dixie Stores, Inc.					
Store #20 Permit no. SO 48-102	Orlando, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Store #41 Permit no. SO 48-109	Orlando, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Store #48 Permit no. SO 48-101	Winter Garden, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74

Store #69 Permit no. SO 48-103	Maitland, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Store #78 Permit no. SO 48-104	Apopka, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Store #98 Permit no. SO 48-106	Pine Castle, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Store #103 Permit no. SO 48-107	Orlando, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
Store #121 Permit no. SO 48-2009	Orlando, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/2/74
<u>Osceola County</u>					
City of Kissimmee, (Electric Generating Facility) Permit no. AO 49-648	Kissimmee, Florida	17-2.04(1)a	4/17/73	Immediately	1/1/75
The Marks - St. Cloud, Inc. Permit no. SO 49-493	St. Cloud, Florida	17-2.04(6)(a)	4/17/73	Immediately	5/15/74
Osceola Fruit Distributors, Inc. Permit no. AO 49-357	Kissimmee, Florida	17-2.04(2)	4/17/73	Immediately	7/15/73
Osceola Tire Service Permit no. AO 49-439	Kissimmee, Florida	17-2.03(1)	4/17/73	Immediately	6/1/73
<u>Seminole County</u>					
B. F. Asphalt Co. Permit no. AO 59-630	Sanford, Florida	17-2.04(2)	4/17/73	Immediately	10/20/73
Hi Acres Concentrate, Inc. Permit no. AO 59-54	Forrest City, Florida	17-2.04(2)	4/17/73	Immediately	1/1/75
K-Mart (Colonial Stores, Inc.) Permit no. SO 59-448	Fern Park, Florida	17-2.04(6)(a)	4/17/73	Immediately	5/15/74
Macasphalt Corporation Unit 5 Permit no. AO 59-554	North Orlando, Florida	17-2.04(2)	4/17/73	Immediately	7/1/74

Seminole Memorial Hosp. Permit no. SO 59-362	Sanford, Florida	17-2.04(6)(a) 4/17/73	Immediately	5/15/74
	Volusia County			
Florida Power Corp., Turner Plant				
Unit #1 Permit no. AO 64-378	Enterprise, Florida	17-2.04(6)(e) 4/17/73 2.c.	Immediately	1/15/75
Unit #2 Permit no. AO 64-379	Enterprise, Florida	17-2.04(6)(e) 4/17/73 2.c.	Immediately	1/15/75
Unit #3 Permit no. AO 64-380	Enterprise, Florida	17-2.04(6)(e) 4/17/73 2.c.	Immediately	1/15/75
Unit #4 Permit no. AO 64-381	Enterprise, Florida	17-2.04(6)(e) 4/17/73 2.c.	Immediately	1/15/75
K-Mart (Colonial Stores Inc.) Permit no. SO 64-446	Daytona Beach, Florida	17-2.04(6)(a) 4/17/73	Immediately	5/15/74
Meadow Gold of Florida (Beatrice Foods Inc.) Permit no. SO 64-467	Orange City, Florida	17-2.04(6)(a) 4/17/73	Immediately	5/15/74
Winn Dixie Stores, Inc. Store #4 Permit no. SO 64-98	New Smyrna Bch, Florida	17-2.04(6)(a) 4/17/73	Immediately	3/2/74
Store #47 Permit no. SO 64-86	Deland, Florida	17-2.04(6)(a) 4/17/73	Immediately	3/2/74
Store #52 Permit no. SO 64-77	Deland, Florida	17-2.04(6)(a) 4/17/73	Immediately	3/2/74
Store #62 Permit no. SO 64-78	Daytona Beach, Florida	17-2.04(6)(a) 4/17/73	Immediately	3/2/74
Store #109 Permit no. SO 64-82	Port Orange, Florida	17-2.04(6)(a) 4/17/73	Immediately	3/2/74
Store #113 Permit no. SO 64-95	Deltona, Florida	17-2.04(6)(a) 4/17/73	Immediately	3/2/74

	Alachua County			
Colonial Stores, Inc. Store #7714, Sunshine Mall Permit no. SO 01-2015	Gainesville, Florida	17-2.04(6)(a) 5/15/73	Immediately	3/15/74
Colonial Stores, Inc. Store #7713, Royal Park Plaza Permit no. SO 01-2016	Gainesville, Florida	17-2.04(6)(a) 5/15/73	Immediately	3/15/74
	Bradford County			
Bradford County Hosp. Board Order - AP-781-73	Starke, Florida	17-2.04(6)(a) 7/11/73	Immediately	3/15/74
	Clay County			
Clay Memorial Hosp. Board Order - AP-782-73	Green Cove Springs, Florida	17-2.04(6)(a) 7/11/73	Immediately	3/15/74
Solite Corporation	Green Cove Springs, Florida			
Kiln #2 Permit no. AO 10-2032		17-2.04(2) 5/15/73	Immediately	1/1/74
Kiln #3 Permit no. AO 10-2033		17-2.04(2) 5/15/73	Immediately	1/1/74
Kiln #4 Permit no. AO 10-2034		17-2.04(2) 5/15/73	Immediately	1/1/74
Kiln #5 Permit no. AO 10-2035		17-2.04(2) 5/15/73	Immediately	1/1/74
	Columbia County			
American Wood Products Permit no. AO 12-2036	Lake City, Florida	17-2.04(2) 5/15/73	Immediately	6/5/74

Dixie County					
Georgia-Pacific Corporation Permit no AO 15-2040	Cross City, Florida	17-2.04(2)	5/15/73	Immediately	7/1/74
Duval County					
Asphalt Contracting Company Permit no AO 16-2031	Jacksonville, Florida	17-2.04(2)	5/15/73	Immediately	7/1/73
Colonial Stores, Inc. 5950 Ramona Blvd. Permit no. SO 16-2020	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Colonial Stores, Inc. 7450 Beach Blvd. Permit no. SO 16-2021	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Colonial Stores, Inc. 925 S. McDuff Ave. Permit no. SO 16-2026	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Colonial Stores, Inc. Store #7200 Univ. Blvd. Permit no. SO 16-2027	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Jacksonville Electric Authority, Kennedy Station	Jacksonville, Florida				
Unit #8 Permit no. AO 16-734		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Unit #9 Permit no. AO 16-733		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Unit #10 Permit no. AO 16-732		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Jacksonville Electric Authority, Northside Station	Jacksonville, Florida				
Unit #1 Permit no. AO 16-731		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Jacksonville Electric Authority, Southside Station	Jacksonville, Florida				
Unit #1 Permit no. AO 16-726		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Unit #2 Permit no. AO 16-727		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Unit #3 Permit no. AO 16-728		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Unit #4 Permit no. AO 16-729		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
Unit #5 Permit no. AO 16-730		17-2.04(6)(e)	5/15/73	Immediately	6/30/75
National Merchandise Company	Jacksonville, Florida				
Old Warehouse, Liberty St. Permit no. SO 16-2028		17-2.04(6)(a)	5/15/73	Immediately	3/15/74
New Warehouse, Liberty St. Permit no. SO 16-2029		17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Pic N' Save Store #1, Univ. Blvd. Permit no. SO 16-2030	Jacksonville Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Rose's Store, Inc. Board Order - AP-777-73	Jacksonville, Florida	17-2.04(6)(a)	7/11/73	Immediately	3/15/74
St. Regis Paper Co.	Jacksonville, Florida				
Recovery Boiler #1 Permit no. AO 16-287		17-2.04(6)(d)	5/15/73	Immediately	7/1/75
Recovery Boiler #1 Permit no. AO 16-287		17-2.04(6)(d) 1.b.	5/15/73	Immediately	5/1/75
Recovery Boiler #2 & 3 Permit no. AO 16-288		17-2.04(6)(d) 1.a.	5/15/73	Immediately	7/1/75
Recovery Boiler #2 & 3 Permit no. AO 16-288		17-2.04(6)(d) 1.b.	5/15/73	Immediately	5/1/75
Bark Boiler #1 Permit no. AO 16-286		17-2.04(2)	5/15/73	Immediately	4/1/75

Bark Boiler #2 Permit no. AO 16-82		17-2.04(2)	5/15/73	Immediately	4/1/75
Lime Kiln Stack #1 Permit no. AO 16-280		17-2.04(2)	5/15/73	Immediately	10/1/74
Lime Kiln Stack #2 Permit no. AO 16-281		17-2.04(2)	5/15/73	Immediately	10/1/74
Lime Kiln Stack #3 Permit no. AO 16-282		17-2.04(2)	5/15/73	Immediately	10/1/74
Non-condensable Gas Sources Permit no. AO 16-2090		17-2.04(4)	5/15/73	Immediately	6/1/75
Winn-Dixie Store #35 4444 Hendricks Ave. Permit no. SO 16-2022	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Winn-Dixie Store #45 1410 N. Edgewood Ave. Permit no. AO 16-2023	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Winn-Dixie Store #60 3978 St. John's Ave. Permit no. AO 16-2024	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Winn-Dixie Store #129 5300 Firestone Ave. Permit no. AO 16-2025	Jacksonville, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Woolco Department Stores	Jacksonville, Florida				
Lenox Ave. Store Board Order - AP-778-73		17-2.04(6)(a)	7/27/73	Immediately	3/15/74
Store #6149 Board Order - AP779-73		17-2.04(6)(a)	7/27/73	Immediately	3/15/74

Gadsden County

Dresser Minerals (Pennsylvania Glass Sand Company)	Havana, Florida				
a) Raymond Mill Exhaust Permit no. AO 20-1033		17-2.04(2)	5/15/73	Immediately	1/1/74
b) Transport System Permit no. AO 20-1034		17-2.04(2)	5/15/73	Immediately	1/1/74

c) Cooler Discharge Stack Permit no. AO 20-1035		17-2.04(2)	5/15/73	Immediately	1/1/74
d) Dryer #2 Permit no. AO 20-1036		17-2.04(2)	5/15/73	Immediately	1/1/74
Floridin Company (Pennsylvania Glass Sand Corp.)	Quincy, Florida				
Stack #4, East Dryer Stack, #2 Dry Dept. Permit no. AO 20-2002		17-2.04(2)	5/15/73	Immediately	2/1/75
Stack #5, Center Dryer Stack, #2 Dry Dept. Permit no. AO 20-2001		17-2.04(2)	5/15/73	Immediately	5/1/75
Stack #6, West Dryer Stack, #2 Dry Dept. Permit no. AO 20-2000		17-2.04(2)	5/15/73	Immediately	7/1/75
Stack #9, Mill Cyclone Stack, #5 Mill Dept. Permit no. AO 20-2010		17-2.04(2)	5/15/73	Immediately	9/1/73
Stack #10, Separator Cyclone, #5 Mill Dept. Permit no. AO 20-2009		17-2.04(2)	5/15/73	Immediately	9/1/73
Stack #12, Mill Cyclone, #2 Mill Dept. Permit no. AO 20-2008		17-2.04(2)	5/15/73	Immediately	8/1/74
Stack #13, Elevator Cyclone, #2 Mill Dept. Permit no. AO 20-2007		17-2.04(2)	5/15/73	Immediately	8/1/74
Stack #16, #2 Raymond Mill, #3 Mill Dept. Permit no. AO 20-2013		17-2.04(2)	5/15/73	Immediately	10/1/74
Stack #17, #3 Raymond Mill, #3 Mill Dept. Permit no. AO 20-2011		17-2.04(2)	5/15/73	Immediately	10/1/74
Stack #19, Cyclone Collector for #1 Dryer Permit no. AO 20-2015		17-2.04(2)	5/15/73	Immediately	12/1/73
Stack #20, Cyclone Collector for #2 Dryer Permit no. AO 20-2016		17-2.04(2)	5/15/73	Immediately	6/1/74

Pat Higdon Industries Permit no. AO 20-614	Quincy, Florida	17-2.04(2)	5/15/73	Immediately	8/30/73
Hamilton County					
Occidental Chemical Company	White Springs, Florida				
Sulfuric Acid Plant A Permit no. AO 24-600		17-2.04(6)(b)1.	5/15/73	Immediately	7/1/75
Sulfuric Acid Plant B Permit no. AO 24-605		17-2.04(6)(b)1.	5/15/73	Immediately	7/1/75
Leon County					
City of Tallahassee Power System Unit #1 Permit no. AO 37-2047	Tallahassee, Florida	17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75
Colonial Stores, Inc.	Tallahassee, Florida				
Store #7276 1111 Apalachee Pkwy Permit no. SO 37-2017		17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Store #7229 1847 W. Tenn. St. Permit no. SO 37-2018		17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Store #7232 Thomasville Rd. Permit no. SO 37-2019		17-2.04(6)(a)	5/15/73	Immediately	3/15/74
Elberta Crate & Box Co. Permit no. AO 37-2038	Tallahassee, Florida	17-2.04(2)	5/15/73	Immediately	6/5/74
Hammons Asphalt Paving Inc. Permit no. AO 37-2039	Tallahassee, Florida	17-2.04(2)	5/15/73	Immediately	7/4/74
Moody Construction Co. Permit no. AO 37-2037	Tallahassee, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Liberty County					
A. M. Schuler and Son Pole Company Permit no. SC-73008	Hosford, Florida	17-2.04(6)(a)	5/15/73	Immediately	9/15/73
B. M. Harmon Construction Company Permit no. AO 39-1049	Telogia, Florida	17-2.04(2)	5/15/73	Immediately	7/30/73
Florida Veneer Company Permit no. SO 39-2000	Hosford, Florida	17-2.04(6)(a)	5/15/73	Immediately	12/1/74
Tenneco Chemicals, Inc.	Telogia, Florida				
Wood Boiler Permit no. AO 39-942		17-2.04(2)	5/15/73	Immediately	12/1/74
Fuel Oil Boiler Permit no. AO 39-940		17-2.04(6)(e)3.	5/15/73	Immediately	5/24/74
Marion County					
Certified Grocers of Florida Permit no. SO 42-420	Ocala, Florida	17-2.04(6)(a)	4/17/73	Immediately	2/22/74
Gibson's Products Co. of Ocala Permit no. SO 42-2008	Ocala, Florida	17-2.04(6)(a)	4/17/73	Immediately	3/1/74
J. T. Goethe Lumber Co.	Dunnellon, Florida				
Bark Boiler Permit no. AO 42-521		17-2.04(2)	4/17/73	Immediately	12/30/74
Tee Pee Burner Permit no. SO 42-474		17-2.04(6)(a)	4/17/73	Immediately	12/30/74
Junie Counts Construction Co. Board Order - AP-783-73	Ocala, Florida	17-2.04(2)	7/11/73	Immediately	5/31/74
Ocala Cleat Co., Inc. Permit no. AO 42-750	Ocala, Florida	17-2.04(6)(a)	4/17/73	Immediately	8/30/73
Shelton's Thriftway, Inc. Permit no. SO 42-286	Ocala, Florida	17-2.04(6)(a)	4/17/73	Immediately	5/30/73
Nassau County					
Container Corporation of America	Fernandina Bch. Florida				
Power Boiler #3 Permit no. AO 45-2085		17-2.04(6)(e)2.c.	5/15/73	Immediately	1/1/75
Power Boiler #3 Permit no. AO 45-2085		17-2.04(6)(e)2.a.	5/15/73	Immediately	1/1/75
Power Boiler #4 Permit no. AO 45-2086		17-2.04(6)(e)2.c.	5/15/73	Immediately	1/1/75

Power Boiler #4 Permit no. AO 45-2086		17-2.04(6)(e)2.a.	5/15/73	Immediately	7/1/75
Power Boiler #5 Permit no. AO 45-2087		17-2.04(6)(e)2.c.	5/15/73	Immediately	1/1/75
Power Boiler #5 Permit no. AO 45-2087		17-2.04(6)(e)2.a.	5/15/73	Immediately	7/1/75
Recovery Boiler #3 Permit no. AO 45-2088		17-2.04(6)(d)1.a	5/15/73	Immediately	7/1/75
Recovery Boiler #3 Permit no. AO 45-2088		17-2.04(6)(d)1.b	5/15/73	Immediately	7/1/75
Recovery Boiler #4 Permit no. AO 45-2089		17-2.04(6)(d)1.a	5/15/73	Immediately	7/1/75
ITT Rayonier, Inc.	Fernandina Bch., Florida				
Power Boiler #1 Permit no. AO 45-2074		17-2.04(6)(e)2.	5/15/73	Immediately	7/1/75
Power Boiler #2 Permit no. AO 45-2075		17-2.04(2)	5/15/73	Immediately	7/1/75
Power Boiler #3 Permit no. AO 45-2076		17-2.04(2)	5/15/73	Immediately	7/1/75
Power Boiler #4 Permit no. AO 45-2077		17-2.04(6)(e)	5/15/73	Immediately	7/1/75
Primary Chlorine Tower Vents Permit no. AO 45-2078		17-2.03(1)	5/15/73	Immediately	7/1/75
SO_2 Recovery Towers Permit no. AO 45-2079		17-2.03(1)	5/15/73	Immediately	7/1/75
Lime Rock Tower Permit no. AO 45-2080		17-2.03(1)	5/15/73	Immediately	7/1/75
Absorption Tower Permit no. AO 45-2081		17-2.03(1)	5/15/73	Immediately	7/1/75
Flash Chlorine Tower Washer Vent Permit no. AO 45-2082		17-2.03(1)	5/15/73	Immediately	7/1/75
Hot Caustic Extraction Stage Tank Blow Vents Permit no. AO 45-2083		17-2.03(1)	5/15/73	Immediately	7/1/75
Chlorine Dioxide Retention Tank Vents Permit no. AO 45-2084		17-2.03(1)	5/15/73	Immediately	7/1/75

Putnam County

Food Fair Stores, Inc. Permit no. SO 54-2031	Palatka, Florida	17-2.04(6)(a)	5/15/73	Immediately	9/30/73
Hudson Pulp and Paper Company	Palatka, Florida				
Recovery Boiler #1 Permit no. AO 54-2058		17-2.04(6)(d)1.	5/15/73	Immediately	7/1/75
Recovery Boiler #2 Permit no. AO 54-2059		17-2.04(6)(d)1.	5/15/73	Immediately	7/1/75
Recovery Boiler #3 Permit no. AO 54-2060		17-2.04(6)(d)1.	5/15/73	Immediately	7/1/75
Smelt Dissolving Tank #1 Permit no. AO 54-2061		17-2.04(2)	5/15/73	Immediately	7/1/75

Smelt Dissolving Tank #2 Permit no. AO 54-2062	17-2.04(2)	5/15/73	Immediately	7/1/75
Smelt Dissolving Tank #3 Permit no. AO 54-2063	17-2.04(2)	5/15/73	Immediately	7/1/75
Lime Kiln #1 Permit no. AO 54-2064	17-2.04(2)	5/15/73	Immediately	7/1/75
Lime Kiln #2 Permit no. AO 54-2065	17-2.04(2)	5/15/73	Immediately	7/1/75
Lime Kiln #3 Permit no. AO 54-2066	17-2.04(2)	5/15/73	Immediately	7/1/75
Combination Boiler #1 Permit no. AO 54-2072	17-2.04(2)	5/15/73	Immediately	7/1/75
Combination Boiler #4 Permit no. AO 54-2073	17-2.04(2)	5/15/73	Immediately	7/1/75
Power Boiler #1 Permit no. AO 54-2067	17-2.04(6)(e)	5/15/73	Immediately	7/1/75
Power Boiler #2 Permit no. AO 54-2068	17-2.04(6)(e)	5/15/73	Immediately	7/1/75
Power Boiler #3 Permit no. AO 54-2069	17-2.04(6)(e)	5/15/73	Immediately	7/1/75
Power Boiler #4 Permit no. AO 54-2070	17-2.04(6)(e)	5/15/73	Immediately	7/1/75
Power Boiler #5 Permit no. AO 54-2071	17-2.04(6)(e)	5/15/73	Immediately	7/1/75

Suwanee County

Florida Power Corp.	Live Oak, Florida				
Boiler #1 Permit no. AO 61-2044		17-2.04(6)(e)2.c.	5/15/73	Immediately	1/15/75
Boiler #2 Permit no. AO 61-2045		17-2.04(6)(e)2.c.	5/15/73	Immediately	1/15/75
Boiler #3 Permit no. AO 61-2046		17-2.04(6)(e)2.c.	5/15/73	Immediately	1/15/75

Taylor County

The Buckeye Cellulose Corporation Recovery Boiler #1 Permit no. AO 62-2091	Perry, Florida	17-2.04(6)(d)1.	5/15/73	Immediately	7/1/75

Wakulla County

City of Tallahassee S.O. Purdom Electric Generating Units	St. Marks, Florida				
Unit #1 Permit no. AO 65-2050		17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75
Unit #2 Permit no. AO 65-2051		17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75
Unit #3 Permit no. AO 65-2052		17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75
Unit #4 Permit no. AO 65-2053		17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75
Units #5 & #6 Permit no. AO 65-2054		17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75
Unit #7 Permit no. AO 65-2055		17-2.04(6)(e)2.	5/15/73	Immediately	4/1/75

AIR QUALITY CONTROL REGION # 050

Broward County

Broward County Incinerator #2	Pompano Bch, Florida				
Old Unit Permit no. SO 6-2064		17-2.04(6)(a)	5/15/73	Immediately	12/31/74
New Unit Permit no. SO 6-2065		17-2.04(6)(a)	5/15/73	Immediately	12/31/74
City of Ft. Lauderdale	Ft. Lauderdale, Florida				
North Unit Permit no. SC-612		17-2.04(6)(a)	5/15/73	Immediately	6/30/73
South Unit Permit no. SC-613		17-2.04(6)(a)	5/15/73	Immediately	6/30/73
Nichols Unit Permit no. SC-614		17-2.04(6)(a)	5/15/73	Immediately	6/30/73
Houdaille Duval Wright Permit no. AO 6-2063	Deerfield Beach, Florida	17-2.04(2)	5/15/73	Immediately	6/14/74

Dade County

City of Homestead Diesel Engines Permit no. AO 13-2057	Homestead, Florida	17-2.04(1)	5/15/73	Immediately	1/6/75
City of Miami, Dept. of Sanitation	Miami, Florida				
City of Miami Incinerator Permit no. SO 13-2061		17-2.04(6)(a)	5/15/73	Immediately	3/3/75
Dade County Public Works Dept.	North Miami Bch, Florida				
Northeast Incinerator Permit no. SO 13-2062		17-2.04(6)(a)	5/15/73	Immediately	7/1/75
General Portland, Inc.	Miami, Florida				
#1 Kiln Permit no. AC-481		17-2.04(6)(f)	5/15/73	Immediately	8/30/73
#2 Kiln Permit no. AC-73018		17-2.04(6)(f)	5/15/73	Immediately	8/30/73
#1 Clinker Cooler Permit no. AC-482		17-2.04(6)(f)	5/15/73	Immediately	8/30/73
#2 Clinker Cooler Permit no. AC-73019		17-2.04(6)(f)	5/15/73	Immediately	8/30/73

U. S. Foundry & Manufacturing Corp. Permit no. AO 13-2066	Miami, Florida	17-2.04(2)	5/15/73	Immediately	7/1/75

Indian River County

City of Vero Beach	Vero Beach, Florida				
Unit #1 & 2 Permit no. AO 31-422		17-2.04(6)(e)2.	5/15/73	Immediately	3/11/74
Unit #3 Permit no. AO 31-524		17-2.04(6)(e)2.	5/15/73	Immediately	3/11/74

Monroe County

Utility Board of the City of Key West	Key West, Florida				
Unit #1,2,3,4 & 5 Permit no. AO 44-1119		17-2.04(6)(e)2	5/15/73	Immediately	6/30/74

Palm Beach County

Atlantic Sugar Association	Belle Glade, Florida				
Unit #1 Permit no. AO 50-2031		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #2 Permit no. AO 50-2032		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #3 Permit no. AO 50-2033		17-2.04(2)	5/15/73	Immediately	7/1/75
Eastern Cement	Rivera Beach, Florida				
Ship Loading Permit no. AO 50-2067		17-2.04(3)	5/15/73	Immediately	1/6/75
Truck Loading Permit no. AO 50-2067		17-2.04(3)	5/15/73	Immediately	10/4/73
Florida Sugar Corporation	Belle Glade, Florida				
Unit #4 Permit no. AO 50-2034		17-2.04(6)(e)3	5/15/73	Immediately	7/1/75
Unit #5 Permit no. AO 50-2035		17-2.04(6)(e)3	5/15/73	Immediately	7/1/75

Gulf & Western Food Products Co.	South Bay, Florida				
Unit #2 & 3 (Common Stack) Permit no. AO 50-2054		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #4 Permit no. AO 50-2053		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #5 Permit no. AO 50-2055		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #6 Permit no. AO 50-2056		17-2.04(2)	5/15/73	Immediately	7/1/75
Osceola Farms Co.	Pahokee, Florida				
Unit #1 Permit no. AO 50-2048		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #2 Permit no. AO 50-2049		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #3 Permit no. AO 50-2050		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #4 Permit no. AO 50-2051		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #5 Permit no. AO 50-2052		17-2.04(2)	5/15/73	Immediately	7/1/75
Sugar Growers Coop of Florida	Belle Glade, Florida				
Unit #1 Permit no. AO 50-2044		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #2 Permit no. AO 50-2045		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #3 Permit no. AO 50-2046		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #5 Permit no. AO 50-2047		17-2.04(2)	5/15/73	Immediately	7/1/75
Telisman Sugar Corporation	Belle Glade, Florida				
Unit #1 Permit no. AO 50-2036		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #2 Permit no. AO 50-2037		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #3 Permit no. AO 50-2038		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #4 Permit no. AO 50-2039		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #5 Permit no. AO 50-2040		17-2.04(2)	5/15/73	Immediately	7/1/75
United States Sugar Corporation	Bryant, Florida				
Unit #1 Permit no. AO 50-2041		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #2 Permit no. AO 50-2042		17-2.04(2)	5/15/73	Immediately	7/1/75
Unit #3 Permit no. AO 50-2043		17-2.04(2)	5/15/73	Immediately	7/1/75
St. Lucie County					
City of Ft. Pierce	Ft. Pierce, Florida				
Diesel Units Permit no. AO 56-424		17-2.04(6)(e)2	5/15/73	Immediately	1/30/75
Package Boiler Unit Permit no. AO 56-425		17-2.04(6)(e)2	5/15/73	Immediately	1/30/75
Unit #5 Permit no. AO 56-426		17-2.04(6)(e)2	5/15/73	Immediately	1/30/75
Unit #6 Permit no. AO 56-427		17-2.04(6)(e)2	5/15/73	Immediately	1/30/75
Unit #4 Permit no. AO 56-428		17-2.04(6)(e)2	5/15/73	Immediately	1/30/75

AIR QUALITY CONTROL REGION # 051

Charlotte County

Macasphalt Corporation Permit no. AO 8-2023	Port Charlotte, Florida	17-2.04(2)	5/15/73	Immediately	6/14/74

Collier County

Fred's Market Permit no. SO 11-2002	Immokalee, Florida	17-2.04(6)(a) 2.a	5/15/73	Immediately	3/8/74

Desoto County

Hercules, Inc.	Nocatee, Florida				
Steam Boiler #1 Permit no. AO 14-2014		17-2.04(2)	5/15/73	Immediately	9/30/73
Steam Boiler #2 Permit no. AO 14-2015		17-2.04(2)	5/15/73	Immediately	9/30/73
Steam Boiler #3 Permit no. AO 14-2016		17-2.04(2)	5/15/73	Immediately	9/30/73
Steam Boiler #4 Permit no. AO 14-2017		17-2.04(2)	5/15/73	Immediately	9/30/73
Steam Boiler #5 Permit no. AO 14-2018		17-2.04(2)	5/15/73	Immediately	9/30/73
Steam Boiler #6 Permit no. AO 14-2019		17-2.04(2)	5/15/73	Immediately	9/30/73

Glades County

Glades County Sugar Growers Co-op Assoc.	Moore Haven, Florida				
Steam Boiler #1 Permit no. AO 22-2037		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #2 Permit no. AO 22-2038		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #3 Permit no. AO 22-2039		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #4 Permit no. AO 22-2040		17-2.04(6)(e)2.c	5/15/73	Immediately	7/1/75

Hendry County

Everglades Sugar Refinery Permit no. AO 26-2025	Clewiston, Florida	17-2.04(6)(e)2.c	5/15/73	Immediately	7/1/75
U. S. Sugar Corporation	Clewiston, Florida				
Steam Boiler #1 Permit no. AO 26-2028		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #2 Permit no. AO 26-2029		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #3 Permit no. AO 26-2030		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #5 Permit no. AO 26-2031		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #6 Permit no. AO 26-2032		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #7 Permit no. AO 26-2033		17-2.04(2)	5/15/73	Immediately	7/1/75
Steam Boiler #9 Permit no. AO 26-2034		17-2.04(6)(e)2.c	5/15/73	Immediately	7/1/75
Bagasse Dryer Permit no. AO 26-2035		17-2.04(2)	5/15/73	Immediately	7/1/75

Highlands County

Ewell Engineering & Contracting Co. Permit no. AO 28-2013	Avon Park, Florida	17-2.04(2)	5/15/73	Immediately	6/14/74
Florida Home Juice Permit no. AO 28-2041	Avon Park, Florida	17-2.04(2)	5/15/73	Immediately	2/28/75
Florida Power Corporation	Avon Park, Florida				
Steam Boiler Unit #1 Permit no. AO 28-2022		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Steam Boiler Unit #2 Permit no. AO 28-2021		17-2.04(6)(e)2.a	5/15/73	Immediately	7/1/75
Steam Boiler Unit #2 Permit no. AO 28-2021		17-2.04(6)(e)2.c	5/15/73	Immediately	2/15/74

St. Regis Paper Co.	Lake Placid, Florida				
Steam Boiler #1 Permit no. AO 28-2026		17-2.04(6)(e)2.c	5/15/73	Immediately	1/1/75
Steam Boiler #2 Permit no. AO 28-2027		17-2.04(6)(e)2.c	5/15/73	Immediately	1/1/75
Sebring Utilities Commission Permit no. AO 28-2020	Sebring, Florida	17-2.04(6)(e)2.c	5/15/73	Immediately	7/1/75
Lee County					
Harper Brothers Permit no. AO 36-2012	Ft. Myers, Florida	17-2.04(2)	5/15/73	Immediately	6/14/74
Warren Brothers Permit no. AO 36-2010	Ft. Myers, Florida	17-2.04(2)	5/15/73	Immediately	6/1/74
Sarasota County					
Warren Brothers Permit no. AO 58-2011	Sarasota, Florida	17-2.04(2)	5/15/73	Immediately	7/1/74

Citrus County					
Carroll Contracting, Inc. Permit no. AO 9-2020	Inverness, Florida	17-2.04(2)	4/17/73	Immediately	7/1/74
Florida Power Corp., Crystal River Plant	Red Level, Florida				
Unit #1 Permit no. AO 9-376		17-2.04(6)(e)2.a	4/17/73	Immediately	7/1/75
Unit #2 Permit no. AO 9-377		17-2.04(6)(e)2.a	4/17/73	Immediately	7/1/75
Unit #1 Permit no. AO 9-376		17-2.04(6)(e)2.c	4/17/73	Immediately	2/1/75
Unit #2 Permit no. AO 9-377		17-2.04(6)(e)2.c	4/17/73	Immediately	2/1/75
Hardee County					
Peace River Processors, Inc. Permit no. AO 25-2124	Wauchula, Florida	17-2.04(6)(e)3	5/15/73	Immediately	7/1/75
Revell Crate Company Permit no. SO 25-2017	Wauchula, Florida	17-2.04(1)(a)(b)(c)	5/15/73	Immediately	1/1/74
Hernando County					
Brooksville Citrus Growers Association Permit no. AO 27-167	Brooksville, Florida	17-2.04(6)(e)	5/15/73	Immediately	7/1/75
Chemical Lime, Inc.	Brooksville, Florida				
a) Dryer Permit no. AO 27-389		17-2.04(2)	5/15/73	Immediately	3/24/75
b) Kiln Permit no. AO 27-390		17-2.04(2)	5/15/73	Immediately	3/24/75
c) Hydrator Plant Permit no. AO 27-391		17-2.04(2)	5/15/73	Immediately	3/24/75
d) Bagging Operation Permit no. AO 27-392		17-2.04(2)	5/15/73	Immediately	3/24/75

Dairy Service Corporation Citrus Peel Dryer Permit no. AO 27-2002	Brooksville, Florida	17-2.04(2)	5/15/73	Immediately	6/2/75

Hillsborough County

American Can Company Permit no. AO 29-2169	Tampa, Florida	17-2.04(5)	5/15/73	Immediately	7/1/75
American Oil Company Permit no. AO 29-2133	Tampa, Florida	17-2.04(6)(e)3	5/15/73	Immediately	3/1/74
Borden Inc. Permit no. AO 29-2082	Plant City, Florida	17-2.04(3)	5/15/73	Immediately	7/1/75
C. F. Industries	Zephyr Hills, Florida				
Phosphate Plant Permit no. AO 29-2083		17-2.04(2),(3),(6)(c)	5/15/73	Immediately	7/1/75
Sulfuric Acid Plants Permit no. AO 29-2083		17-2.04(6)(b)1	5/15/73	Immediately	9/1/73
Cone Brothers Contracting Company E. Osborne Ave. Permit no. AO 29-2165	Tampa, Florida	17-2.04(2)	5/15/73	Immediately	5/1/74
Cone Brothers Contracting Company 14814 N. 12th St. Permit no. AO 29-2166	Tampa, Florida	17-2.04(2)	5/15/73	Immediately	5/1/74
Davenport Drugs, Inc. Permit no. SO 29-2035	Tampa, Florida	17-2.04(6)(a)	5/15/73	Immediately	10/1/73
Detsco Terminals, Inc. Permit no. AO 29-2119	Tampa, Florida	17-2.04(2)&(3)	5/15/73	Immediately	7/1/75
Eastern Associated Permit no. AO 29-2170	Tampa, Florida	17-2.04(2)&(3)	5/15/73	Immediately	7/1/75
Florida Sip, Inc. Permit no. AO 29-2121	Plant City, Florida	17-2.04(2)(6)(e)3	5/15/73	Immediately	7/1/74
Florida Steel Corp. Permit no. AO 29-2177	Tampa, Florida	17-2.04(2)&(3)	5/15/73	Immediately	7/1/75

General Portland Inc.	Tampa, Florida				
Kiln #1 - #5 Case no. 205899		17-2.04(6)(f)	5/15/73	Immediately	8/1/73
Clinker Cooler #1 - #6 Case no. 205899		17-2.04(6)(f)	5/15/73	Immediately	8/1/73
Material Handling Case no. 205899		17-2.04(3)	5/15/73	Immediately	8/1/73
Fugitive Dust Generation Case no. 205899		17-2.04(3)	5/15/73	Immediately	8/1/73
All Other Sources Permit no. AO 29-2181		17-2.04(2),(3),(6)(f)	5/15/73	Immediately	7/1/75
Gant Shopping Center Permit no. SO 29-2037	Brandon, Florida	17-2.04(6)(a)	5/15/73	Immediately	10/1/73
Gardinier, Inc. Permit no. AO 29-2180	Gibsonton, Florida	17-2.04(6)(b)	5/15/73	Immediately	7/1/75
W. R. Grace & Company 1604 36th St. Permit no. AO 29-2182	Tampa, Florida	17-2.04(2)(3)	5/15/73	Immediately	7/1/75
W. R. Grace & Company 35th & 3rd Ave. Permit no. AO 29-2132	Tampa, Florida	17-2.04(2)(3)	5/15/73	Immediately	7/1/75
International Minerals & Chemicals Corp. Permit no. AO 29-2173	Port Sutton, Florida	17-2.04(2),(3)	5/15/73	Immediately	7/1/75
Jos Schlitz Brewing Co. Permit no. AO 29-2112	Tampa, Florida	17-2.04(6)(e)3	5/15/73	Immediately	7/1/75
Kaiser Agricultural Chemicals	Tampa, Florida				
Cooler & Dryer Granulation Plant Permit no. AO 29-2130		17-2.04(2),(3)	5/15/73	Immediately	7/1/74
Nitric Acid Plant Permit no. AO 29-2129		17-2.04(6)(g)2	5/15/73	Immediately	7/1/75
Loading & Unloading Facilities Permit no. AO 20-2128		17-2.04(3)	5/15/73	Immediately	7/1/75
Mineral Aggregates, Inc. Permit no. AO 29-2172	Tampa, Florida	17-2.04(2)	5/15/73	Immediately	1/1/75

National Gypsum Co.	Tampa, Florida				
Holo-Flite Unit Permit no. AO 29-2174		17-2.04(2)	5/15/73	Immediately	7/1/75
Rock Dryer Permit no. AO 29-2175		17-2.04(2)	5/15/73	Immediately	7/1/75
Wallboard Dryer Permit no. AO 29-2176		17-2.04(2)	5/15/73	Immediately	7/1/75
Nitram, Inc. Permit no. AO 29-2179	Tampa, Florida	17-2.04(2), (3),(6)(a), (e)3,(g)	5/15/73	Immediately	7/1/75
Penny-Saver Grocery Permit no. SO 29-2034	Tampa, Florida	17-2.04(6)(a)	5/15/73	Immediately	10/1/73
Reynolds Metal Co. Permit no. AO 29-2178	Tampa, Florida	17-2.03(1) 17-2.04(5)	5/15/73	Immediately	7/1/75
River Gulf Terminal, Inc. Permit no. AO 29-2188	Tampa, Florida	17-2.04(3), (2)	5/15/73	Immediately	7/1/75
Robbins Manufacturing Company Permit no. AO 29-2125	Tampa, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/1/74
Seaboard Coastline Railroad Permit no. AO 29-2189	Tampa, Florida	17-2.04(2), (3)	5/15/73	Immediately	7/1/75
Security Feeds (Feeds for Florida, Inc.) Permit no. AO 29-2183	Tampa, Florida	17-2.04(3)	5/15/73	Immediately	7/1/75
Tampa, City of; Tampa Municipal Incinerator Board Order - #73-40	Tampa, Florida	17-2.04(6)(a)	5/15/73	Immediately	3/1/75
Tampa, City of; Water Department Permit no. AO 29-2122	Tampa, Florida	17-2.04(6)(e)3	5/15/73	Immediately	3/1/74
Tampa Electric Co. Hookers Point Units No. 1-6 Permit no. AO 29-2093	Tampa, Florida	17-2.04(6)(e)2 a,b,c,e	5/15/73	Immediately	6/30/74
Big Bend Station Unit 1 & 2 Permit no. AO 29-2092	North Ruskin, Florida	17-2.04(6)(e)2d	5/15/73	Immediately	7/1/75

Big Bend Station Unit 1 Permit no. AO 29-2092	North Ruskin, Florida	17-2.04(6)(e)2a	5/15/73	Immediately	9/30/74
Big Bend Station Unit 2 Permit no. AO 29-2092	North Ruskin, Florida	17-2.04(6)(e)2a	5/15/73	Immediately	8/30/73
F. J. Gannon Station Units 1-4 Permit no. AO 29-2191	Tampa, Florida	17-2.04(6)(e)2a,c	5/15/73	Immediately	4/30/75
F. J. Gannon Station Units 5 & 6 Permit no. AO 29-2191	Tampa, Florida	17-2.04(6)(e)2d	5/15/73	Immediately	7/1/75
F. J. Gannon Station Unit 5 Permit no. AO 29-2191	Tampa, Florida	17-2.04(6)(e)2a	5/15/73	Immediately	7/30/74
F. J. Gannon Station Unit #6 Permit no. AO 29-2191	Tampa, Florida	17-2.04(6)(e)2a	5/15/73	Immediately	5/30/74
Thriftway Food Store Permit no. SO 29-2036	Brandon, Florida	17-2.04(6)(a)	5/15/73	Immediately	10/1/73

Levy County

Florida Power Corp.	Inglis, Florida				
Stack #1, Units #1,3 & 5 Permit no. AO 38-2041		17-2.04(6)(e)	5/15/73	Immediately	2/15/74
Stack #2, Units #2 & 4 Permit no. AO 38-2042		17-2.04(6)(e)	5/15/73	Immediately	2/15/74
Stack #3, Unit #6 Permit no. AO 38-2043		17-2.04(6)(e)	5/15/73	Immediately	2/15/74
Georgia-Pacific Corporation	Chiefland, Florida				
Boiler #1 Permit no. AO 38-2028		17-2.04(2)	5/15/73	Immediately	7/1/74
Boiler #2 Permit no. AO 38-2029		17-2.04(2)	5/15/73	Immediately	7/1/74
Boiler #3 Permit no. AO 38-2030		17-2.04(2)	5/15/73	Immediately	7/1/74

Manatee County

Bordon, Inc. Chemical Div./Smith Douglas	Piney Point, Florida				
Sulfuric Acid Plant Permit no. AO 41-2042		17-2.04(6)(b)1.	5/15/73	Immediately	7/1/75
Auxiliary Boiler Permit no. AO 41-2043		17-2.04(6)(e)2.c	5/15/73	Immediately	4/1/74
Manatee Terminals, Inc. Permit no. AO 41-2044	Port Manatee, Florida	17-2.04(3)	5/15/73	Immediately	6/14/74

Pasco County

Des Little and Sons, Inc. Permit no. AO 51-2123	New Port Richey, Florida	17-2.04(2)	5/15/73	Immediately	7/8/74
Evans Packing Company Citrus Feed Mills Permit no. AO 51-2055	Dade City, Florida	17-2.04(2)	5/15/73	Immediately	6/1/75
Lykes Pasco Packing Company (Citrus Processing Plant)	Dade City, Florida				
Power Plant Boiler #2 Permit no. AO 51-2074		17-2.04(6)(e)2c	5/15/73	Immediately	7/1/75
Power Plant Boiler #3 Permit no. AO 51-2075		17-2.04(6)(e)2c	5/15/73	Immediately	7/1/75
Power Plant Boiler #4 Permit no. AO 51-2076		17-2.04(6)(e)2c	5/15/73	Immediately	7/1/75
Power Plant Boiler #5 Permit no. AO 51-2077		17-2.04(6)(e)2c	5/15/73	Immediately	7/1/75
Vitamin P. Boiler Permit no. AO 51-2078		17-2.04(6)(e)2c	5/15/73	Immediately	7/1/75
Concentrate Plant Boiler Permit no. AO 51-2079		17-2.04(6)(e)2c	5/15/73	Immediately	7/1/75
Winn Dixie Stores, Inc. Store #695 Permit no. SO 51-2007	Holiday, Florida	17-2.04(6)(a)	5/15/73	Immediately	1/1/74

Pinellas County

David Bilgore and Company, Inc. Permit no. AO 52-2046	Clearwater, Florida	17-2.04(2)	5/15/73	Immediately	6/2/75
Florida Power Corporation - Bartow Plant - Weedon Island	St. Petersburg, Florida				
Unit #1 Permit no. AO 52-2037		17-2.04(6)(e)2c	5/15/73	Immediately	1/5/74
Unit #2 Permit no. AO 52-2038		17-2.04(6)(e)2c	5/15/73	Immediately	1/5/74
Unit #3 Permit no. AO 52-2039		17-2.04(6)(e)2c	5/15/73	Immediately	1/5/74
Florida Power Corp. Bayboro Plant 13th Ave S @ 3rd St.	St. Petersburg, Florida				
Unit #2 Permit no. AO 52-2044		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Unit #3 Permit no. AO 52-2045		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Unit #4 Permit no. AO 52-2046		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Florida Power Corp. Higgins Plant	Oldsmar, Florida				
Unit #1 Permit no. AO 52-2040		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Unit #2 Permit no. AO 52-2041		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Unit #3 Permit no. AO 52-2042		17-2.04(6)(e)2c	5/15/73	Immediately	2/15/74
Moorefield Paving Contractors, Inc. Permit no. AO 52-2047	Largo, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Stauffer Chemical Co.	Tarpon Springs, Florida				
a) Boiler Permit no. AO 52-2054		17-2.04(6)(e)3	5/15/73	Immediately	6/4/75
b) Roaster Permit no. AO 52-2095		17-2.04(3)(6)(c)1b	5/15/73	Immediately	6/1/75
c) Phosphorus Furnace Permit no. AO 52-2053		17-2.04(1)	5/15/73	Immediately	6/1/75

d) Nodulizing Kiln Permit no. AO 52-2050		17-2.04(2), (6)(c)1.b	5/15/73	Immediately	6/1/75
H. P. Hood & Sons, Inc. Boiler House Permit no. AO 52-2034	Dunedin, Florida	17-2.04(6)(a)3	5/15/73	Immediately	1/1/74
Kresge Store Permit no. SO 52-2010	St. Petersburg, Florida	17-2.04(6)(a)3	5/15/73	Immediately	1/1/74
Pinellas Cigar Co. Permit no. SO 52-2008	St. Petersburg, Florida	17-2.04(6)(a)3	5/15/73	Immediately	1/1/74
St. Johns Catholic Church Permit no. SO 52-2011	St. Petersburg Beach, Florida	17-2.04(6)(a)3	5/15/73	Immediately	1/1/74

Polk County

Agrico Chemical Company Permit no. AO 53-2145	South Pierce, Florida	17-2.04(3)	5/15/73	Immediately	7/1/75
Agrico Chemical Permit no. AO 53-2146	Pierce, Florida	17-2.04(2)(3)	5/15/73	Immediately	7/1/75
Alcoma Packing Company Permit no. AO 53-358	Lake Wales, Florida	17-2.04(2)	5/15/73	Immediately	7/1/75
Blue Seal Asphalt Company Permit no. AO 53-2154	Lakeland, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Borden, Inc. Chemical Division Permit no. AO 53-2141	Lakeland, Florida	17-2.04(3)	5/15/73	Immediately	7/1/75
Brewster Phosphates, Inc. Permit no. AO 53-2096	Bradley, Florida	17-2.04(2)(3)	5/15/73	Immediately	6/1/75
C. F. Chemical Ind. Inc. Sulfuric Acid Plants #1 and #2 Permit no. AO 53-2094	Bartow, Florida	17-2.04(6)(b)	5/15/73	Immediately	7/1/75
Sulfuric Acid Plants #3 and #4 Permit no. AO 53-2094		17-2.04(6)(b)	5/15/73	Immediately	7/1/75

Sulfuric Acid Plants #5 and #6 Permit no. AO 53-2094		17-2.04(6)(b)	5/15/73	Immediately	5/1/75
City of Lakeland Power Plants	Lakeland, Florida				
Unit #7, Boiler #12 Permit no. AO 53-576		17-2.04(6)(e)	5/15/73	Immediately	6/1/75
Unit #4, #9 Boiler Permit no. AO 53-577		17-2.04(6)(e)	5/15/73	Immediately	6/1/75
Gas Turbines #1, #2, #3 Permit no. AO 53-578		17-2.04(6)(e)	5/15/73	Immediately	6/1/75
Larsen Plt. Unit #5, Boiler #10 Permit no. AO 53-579		17-2.04(6)(e)	5/15/73	Immediately	6/1/75
Larsen Plt. Unit #6, Boiler #11 Permit no. AO 53-580		17-2.04(6)(e)	5/15/73	Immediately	6/1/75
Citrus World, Inc.	Lake Wales, Florida				
100,000 #hr Waste Heat Evaporator Permit no. AO 53-567		17-2.04(2)	5/15/73	Immediately	6/1/74
1st Cooler Scrubber Permit no. AO 53-568		17-2.04(2)	5/15/73	Immediately	6/1/74
50,000 #hr Waste Permit no. AO 53-569		17-2.04(2)	5/15/73	Immediately	6/1/74
Peel Cooler Permit no. AO 53-570		17-2.04(2)	5/15/73	Immediately	6/1/74
Storage Bin Cooler System Permit no. AO 53-571		17-2.04(2)	5/15/73	Immediately	6/1/74
Pellet Cooler System Permit no. AO 53-572		17-2.04(2)	5/15/73	Immediately	6/1/74
Air conveyor, Discharge Stack Permit no. AO 53-573		17-2.04(2)	5/15/73	Immediately	6/1/74

Coca-Cola Company Foods Division Boilers Permit no. AO 53-2153	Auburndale, Florida	17-2.04(6)(e)3	5/15/73	Immediately	7/1/75
D. S. Prosser, Jr., Partnership Permit no. AO 53-2150	Highland City, Florida	17-2.04(2)	5/15/73	Immediately	6/1/74
Eger Concrete Co., Inc. Permit no. AO 53-2164	Auburndale, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Farmland Industries, Inc. Permit no. AO 53-2137	Green Bay, Florida	17-2.04(3)	5/15/73	Immediately	7/1/75
Florida Tile Industries Inc. (Sikes Corp.) Permit no. AO 53-2155	Lakeland, Florida	17-2.03(1)	5/15/73	Immediately	1/1/74
Hunt Brothers Permit no. AO 53-2159	Lake Wales, Florida	17-2.04(6)(e)	5/15/73	Immediately	7/1/75
International Minerals & Chemicals Company, Noralyn Plant Permit no. AO 53-2138	Mulberry, Florida	17-2.04(2), (3)	5/15/73	Immediately	6/1/75
Kraft Foods - Div. of Kraft Co. Citrus Pulp Drying Plant Boilers Permit no. AO 53-2161	Lakeland, Florida	17-2.04(6)(e)3	5/15/73	Immediately	7/1/75
Lake Hamilton Citrus, Inc. Permit no. AO 53-2168	Bartow, Florida	17-2.04(2)	5/15/73	Immediately	6/1/74
Macasphalt Corp. Unit #4 Permit no. AO 53-2134	Lake Wales, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Mobil Chemical Company Permit no. AO 53-2142	Nichols, Florida	17-2.04(2), (3)	5/15/73	Immediately	7/1/75
Orlando Paving Company Permit no. AO 53-2160	Loughman, Florida	17-2.04(2)	5/15/73	Immediately	6/1/74
Owens-Illinois Permit no. AO 53-2167	Lakeland, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Royster Company Permit no. AO 53-2081	Mulberry, Florida	17-2.04(6)(b)	5/15/73	Immediately	7/1/75

Standard Sand & Silica Company Flint Rock Dryer Permit no. AO 53-2156	Davenport, Florida	17-2.04(2)	5/15/73	Immediately	7/1/74
#2 Silica Dryer Permit no. AO 53-2158		17-2.04(2)	5/15/73	Immediately	7/1/74
#1 Silica Dryer Permit no. AO 53-2157		17-2.04(2)	5/15/73	Immediately	7/1/74
Sun Coast Canning Company Citrus Feed Mill Permit no. AO 53-2163	Ft. Meade, Florida	17-2.04(2)	5/15/73	Immediately	7/1/75
Swift and Company Permit no. AO 53-2135	Bartow, Florida	17-2.04(2), (3),(6)(b)	5/15/73	Immediately	7/1/75
USS Agri-Chemical Co. Permit no. AO 53-2139	Bartow, Florida	17-2.04(2), (6) (b),(c), (e)3	5/15/73	Immediately	7/1/75
USS Agri-Chemical Co. Permit no. AO 52-2144	Ft. Meade, Florida	17-2.04(2) and (3) 17-2.04(6) (b),(c),(e)3	5/15/73	Immediately	7/1/75
West Gibson Department Store Permit no. SO 53-2019	Lakeland, Florida	17-2.04(6)(a)	5/15/73	Immediately	1/1/74
Woolco Department Store (Lake Parker Shopping Mall) Permit no. SO 53-2025	Lakeland, Florida	17-2.04(6)(a)	5/15/73	Immediately	1/1/74
W. R. Grace & Company Bartow Works Permit no. AO 53-2136	Bartow, Florida	17-2.04(2), (3),(6)(b)	5/15/73	Immediately	7/1/75
W. R. Grace & Company Marco Chemical Div. Permit no. SO 53-2024	Bartow, Florida	17-2.04(6) (a)(3)	5/15/73	Immediately	1/1/74
Yogurt Master Permit no. SO 53-2020	Lakeland, Florida	17-2.04(6)(a)	5/15/73	Immediately	1/1/74

Sumter County

Dixie Lime & Stone Company Quick lime Plant Permit no. AO 60-711	Sumterville, Florida	17-2.04(2)	4/17/73	Immediately	2/15/75
Fine Limestone Plant Permit no. AO 60-712		17-2.04(2)	4/17/73	Immediately	2/15/75

AIR QUALITY CONTROL REGION #005

Bay County

Arizona Chemical Co. Permit no. AO 03-744	Panama City, Florida	17-2.03(1) 17-2.04(2)	5/15/73	Immediately	3/1/74
Cove Contractors Permit no. AO 03-366	Panama City, Florida	17-2.04(6)(e)3.	5/15/73	Immediately	1/1/74
International Paper Company	Panama City, Florida				
Power Boiler #4 Permit no. AO 03-691		17-2.04(6)(e)2.	5/15/73	Immediately	1/1/74
Power Boiler #5 Permit no. AO 03-692		17-2.04(6)(e)2.	5/15/73	Immediately	1/1/74
Gulf Power Company Smith Generating Station Board Order - AP-765-73	Panama City, Florida	17-2.04(6)(e)2a & d	7/30/73	Immediately	7/1/75

Calhoun County

Hayes Forest Products Industries	Blountstown, Florida				
TeePee Burner (25 ft. Dia.) Permit no. SO 07-502		17-2.04(6)(a)	5/15/73	Immediately	11/1/74
TeePee Burner (20 ft. Dia.) Permit no. SO 07-503		17-2.04(6)(a)	5/15/73	Immediately	11/1/74

Escambia County

Alger-Sullivan Co.	Century, Florida				
a) Two Boilers with Common Stack Permit no. AO 17-1073		17-2.04(2)	5/15/73	Immediately	8/30/73
b) Dry Shaving Cyclone Permit no. AO 17-1075		17-2.04(2)	5/15/73	Immediately	8/30/73
Atmore Pole & Timber Company Permit no. AO 17-983	Davisville, Florida	17-2.04(6)(a)	5/15/73	Immediately	12/30/73
American Creosote Works, Inc. Permit no. AO 17-980	Pensacola, Florida	17-2.04(2)	5/15/73	Immediately	1/15/74

Boise Cascade Corporation Board Order - AP-764-73	Cantonment, Florida	17-2.04(2)	7/11/73	Immediately	5/24/74
Brickerstaff Clay Products Co. Permit no. AO 17-2003	Barth, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Escambia Treating Co. Permit no. AO 17-937	Pensacola, Florida	17-2.04(2)	5/15/73	Immediately	10/30/73
Louisiana Land & Exploration Co.	Century, Florida				
a) Wiggins Lake Prod. Facility #1 Permit no. AO 17-522		17-2.04(6)(h) 2a	5/15/73	Immediately	7/1/75
b) Wiggins Lake Prod. Treating Facilities #2 Permit no. AO 17-736		17-2.04(6)(h) 2a	5/15/73	Immediately	7/1/75
Monsanto Corporation	Gonzales, Florida				
a) Adipic Acid Synthesis Permit no. AO 17-687		17-2.04(2)	5/15/73	Immediately	3/15/74
b) Ammonia Oxidation Permit no. AO 17-686		17-2.04(6)(g)	5/15/73	Immediately	3/15/74
St. Regis Paper Company	Cantonment, Florida				
a) #1 Power Boiler, #1 Mill Permit no. AO 17-542		17-2.04(6)(e)2.	5/15/73	Immediately	7/1/73
b) #2 Power Boiler, #2 Mill Permit no. AO 17-543		17-2.04(6)(e)2.	5/15/73	Immediately	7/1/73
c) #3 Power Boiler, #1 Mill Permit no. AO 17-544		17-2.04(6)(e)2	5/15/73	Immediately	7/1/73
d) #4 Power Boiler, #2 Mill Permit no. AO 17-545		17-2.04(6)(e)2.	5/15/73	Immediately	7/1/73
e) #1 Power Boiler, #2 Mill Permit no. AO 17-621		17-2.04(6)(e)2.	5/15/73	Immediately	7/1/73
f) #3 Power Boiler, #2 Mill Permit no. AO 17-626		17-2.04(6)(e)2.	5/15/73	Immediately	7/1/73

Weis Fricker Mahogany Company Permit no. AO 17-396	Pensacola, Florida	17-2.04(2)	5/15/73	Immediately	5/24/74
Gulf Power Company Crist Generating Station Board Order - AP-765-73	Pensacola, Florida	17-2.04(6)(e) 2a & d	7/30/73	Immediately	7/1/75
	Gulf County				
Basic Magnesia Inc.	Port St. Joe, Florida				
Magnesium Oxide Calciner #1 Permit no. AO 23-339		17-2.04(2)	5/15/73	Immediately	1/1/74
Magnesium Oxide Calciner #2 Permit no. AO 23-340		17-2.04(2)	5/15/73	Immediately	1/1/74
St. Joe Paper Company	Port St. Joe, Florida				
Power Boiler #3 Permit no. AO 23-445		17-2.04(6)(e)3.	5/15/73	Immediately	5/24/74
Power Boiler #4 Permit no. AO 23-446		17-2.04(2)	5/15/73	Immediately	5/24/74
Power Boiler #5 Permit no. AO 23-447		17-2.04(6)(e)3.	5/15/73	Immediately	5/24/74
Power Boiler #6 Permit no. AO 23-448		17-2.04(6)(e)3.	5/15/73	Immediately	5/24/74
Power Boiler #7 Permit no. AO 23-449		17-2.04(6)(e)3	5/15/73	Immediately	5/24/74
Power Boiler #8 Permit no. AO 23-450		17-2.04(6)(e)3	5/15/73	Immediately	5/24/74
	Jackson County				
Dixie Lime & Stone Company, Green Valley Plant Permit no. AO 32-1059	Marianna, Florida	17-2.04(2)	5/15/73	Immediately	1/1/74
Gold Kist Peanuts Permit no. AO 32-1080	Graceville, Florida	17-2.04(2) 17-2.04(6)(e)3	5/15/73	Immediately	4/30/74
Gulf Power Company Scholz Generating Sta. Board Order - AP-765-73	Sueads, Florida	17-2.04(6)(e) 2a & d	7/30/73	Immediately	7/1/75

Santa Rosa County

Air Products & Chemicals, Inc. (Escambia Chemical Corporation)	Pace, Florida				
No. 2 Nitric Acid Plant Permit no. AO 57-2003		17-2.04(6)(g)2.	5/15/73	Immediately	7/1/75
No. 1 Nitric Acid Plant Permit no. AO 57-2002		17-2.04(6)(g)2.	5/15/73	Immediately	7/1/75
Amerada-Hess Oil Permit no. AO 57-2001	Jay, Florida	17-2.04(6)(h)2.	5/15/73	Immediately	7/1/75
Exxon Company, USA	Jay, Florida				
Facility #2 Permit no. AO 57-1066		17-2.04(6)(h)2.	5/15/73	Immediately	7/1/75
Facility #3 Permit no. AO 57-1096		17-2.04(6)(h)2.	5/15/73	Immediately	7/1/75
Facility #4 Permit no. AO 57-1101		17-2.04(6)(h)2.	5/15/73	Immediately	7/1/75
Facility #5 Permit no. AO 57-1115		17-2.04(6)(h)2.	5/15/73	Immediately	7/1/75
Sun Oil Company Permit no. AO 57-1061	Jay, Florida	17-2.04(6)(h)2.	5/15/73	Immediately	7/1/75

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