federal register

TUESDAY, APRIL 9, 1974

WASHINGTON, D.C.

Volume 39 ■ Number 69

Pages 12849–12969

PART I

April 9, 1974—Pages 12849–12969

HIGHLIGHTS OF THIS ISSUE

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

(Continued inside)

PART II:

PART III:

REMINDERS

NOTE: There were no items published after October 1, 1972, that are eligible for inclusion in the list of RULES GOING INTO EFFECT TODAY.

federal register

Area Code 202 Phone 523-5240

Published daily, Monday through Friday (no publication on Saturdays, Sundays, or on official Federal holidays), by the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408, under the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C., Ch. 15) and the regulations of the Administrative Committee of the Federal Register (1 CFR Ch. I). Distribution is made only by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The FEDERAL REGISTER provides a uniform system for making available to the public regulations and legal notices issued by Federal agencies. These include Presidential proclamations and Executive orders and Federal agency documents having general applicability and legal effect, documents required to be published by Act of Congress and other Federal agency documents of public interest.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $5.00 per month or $45 per year, payable in advance. The charge for individual copies is 75 cents for each issue, or 75 cents for each group of pages as actually bound. Remit check or money order, made payable to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Contents

(Continued on next page)

List of CFR Parts Affected

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears following the Notices section of each issue beginning with the second issue of the month. In the last issue of the month the cumulative list will appear at the end of the issue.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1974, and specifies how they are affected.

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 6—Economic Stabilization

CHAPTER I—COST OF LIVING COUNCIL

PART 150—PHASE IV PRICE REGULATIONS

Loss or Low Profit Amendments

On February 13, 1974, the Cost of Living Council issued for public comment a notice of proposed amendments to the loss or low profit regulation (6 CFR 150.201). The Council received written comments concerning the proposed amendments from fourteen firms. All comments were taken into account by the Council in promulgating the final version of the amendments and the final amendments reflect a number of changes which were suggested by the firms responding to the notice of proposed rulemaking

In order to explain the changes which have been adopted and discuss those which have not, the Council has listed below most of the substantive questions or issues which were commented on and has indicated in each case the extent to which the Council revised the proposed version of the loss or low profit amendments.

1. *Effective date.* In the preamble to the notice of proposed rulemaking the Council announced its intention to make the final version of the amendment effective February 14, 1974. This proposal was intended to make the revised § 150.-201 apply to loss/low profit firms with respect to which authority to price under § 150.201 terminated 45 days after the fiscal quarter ended December 31, 1973. It has been brought to the attention of the Council that some loss/low profit firms have fiscal quarters which end two or three days earlier than the calendar quarter. The Council has therefore made the effective date of these amendments February 1, 1974, in order to make certain that the revised § 150.201 applies with respect to any fiscal quarter ending on or about December 31, 1973, or thereafter.

2. *Calculation of allowable profit margin*—a. *Treatment of interest on long-term debt.* Three firms requested that the Council change § 150.201(c)(1) to permit inclusion of interest on long-term debt as an operating expense in calculating profit margin for loss/low profit purposes. For the reason stated in the preamble to the notice of proposed rulemaking, the Council's position since § 150.201 was promulgated at the start of Phase IV has been that it is appropriate to exclude such interest expense under § 150.201. The comments received on this point did not alter the Council's view of the matter.

b. *Service organizations.* One firm criticized the 1% allowable profit margin for service organizations under § 150.201 (c)(2) as too low in view of the fact that the rule excluding interest on long-term debt extends to service organizations even though the 1% figure is apparently not related to capital turnover ratios as in the case of all other firms.

The 1% limitation has been in effect since mid-1972 when the loss/low profit regulations were published by the Price Commission. The Council understands that the 1% figure was based on a then-current statistical average of actual profit margins for service organizations and that adjustment for capital turnover was evidently judged to be inappropriate for the service industries. However, the profit margin rules at the time excluded interest on long-term debt as an operating expense. Since the 1% figure was developed on the basis of data in which interest on long-term debt was so excluded it appears appropriate to test qualification for loss/low profit relief in Phase IV on the same basis.

The evidently small number of service firms which find the relief afforded under § 150.201 to be inadequate should consider seeking further relief under the exceptions or compliance procedures, as appropriate.

c. *Capital turnover table.* It was suggested by two firms that the table provided in § 150.201(c)(3) should be revised. The table provides capital turnover ratios and corresponding allowable profit margins, ranging from a low of 0.2% (capital turnover ratio of 50.0 or more) to a high of 3.0% (capital turnover of less than 3.4), for manufacturing, wholesaling and retailing firms. It was argued that for firms with a very low capital turnover (less than 3.4) the table was arbitrarily truncated and should be extended to provide an allowable profit margin as high as 10% for a firm with a capital turnover ratio of approximately 1. This would provide a return on investment of 10%, which is the general result within the range of the table as published.

The Council opposes the suggested changes for several reasons. The table has been in use since Phase II and had met with sufficient acceptance by the end of Phase II that it was readopted without change for Phase IV. Changes in the table were obviously not within the scope of the proposed amendments and the Council could not now revise the table without re-examining its whole structure. Re-examination of the table so late in Phase IV would have little effect on the stabilization program and individual cases of hardship or inequity can be examined under the exceptions or compliance procedures. Moreover, there is nothing in § 150.201 or its antecedents which suggests that the Council intended to permit all firms to price without cost-justification under the loss/low profit rules until reaching a certain rate of return on investment. While the concept of an adequate rate of return did enter into the development of the loss/low profit rules, clearly the Council also intended that that concept would operate only within the fixed limits set by the Council in defining "low profit". If it is "arbitrary" for the Council to define low profit to mean a profit margin of 3% or less, it would appear to be no less arbitrary to define low profit to mean a profit margin of 10% or less or, alternatively, whatever profit margin is necessary to produce a predetermined rate of return on investment in every case.

3. *Profit margin excess.* Several firms raised the question of penalty for exceeding the allowable profit margin under § 150.201, both in response to the notice of proposed rulemaking and otherwise. It has been suggested that no penalty applies since the allowable profit margin under § 150.201 is a target to be reached as well as a limit not to be exceeded, and the "margin of error" of .01% allowed by the regulation is too narrow for any strict application of penalties. On the other hand, a firm which "overshoots" the allowable profit margin by substantial amounts can be charged with violation of the rule in § 150.201(e), which permits the charging of any prices which are "reasonably calculated" to result in a profit margin which does not exceed the allowable profit margin. To clarify this question, the Council has added a provision to § 150.201(h)(1) which states that a profit margin excess under the loss/low profit regulations is subject to the same rules which apply to any other profit margin excess except that the Council will excuse a profit margin excess under § 150.201 to the extent that the firm concerned can demonstrate to the Council's satisfaction that the excess was a reasonable and unavoidable consequence of pricing in accordance with § 150.201(e). This rule is designed to afford relief to firms which achieve a profit margin level which is slightly in excess of the allowable profit margin.

4. *Termination of loss/low profit relief.*—a. *Base periods: general.* Several firms commented that the up-dated base periods for prices and costs provided in §§ 150.201 (h)(3)(iii), (h)(3)(iv) and (h)(3)(v) of the proposed amendments should be in addition to the base periods otherwise available under Part 150. It was the Council's intention that the new

base periods were to be added to the choices of base periods already available under Part 150, and as a technical matter the proposed amendments so provided. However, to provide further clarity the Council has added language which expressly states that the new base periods are in addition to those otherwise available. In addition, the amended regulation states that the base periods must be selected in a consistent manner so that the base cost period is not anterior to the base price period.

b. *Base periods for food manufacturing.* The base period for revenue purposes and for food raw materials costs for food manufacturers has been changed from the last fiscal year ending on or before December 31, 1973, to any four consecutive fiscal quarters which ended on or after May 11, 1973, and on or before the fiscal quarter which precedes the fiscal quarter 45 days after which authority to increase prices in accordance with paragraph (e) of this section terminates. This change is designed to more closely conform to the special rules which govern food manufacturing under Subpart Q of the Phase IV price regulations.

c. *Wholesale/retail pricing base period.* In addition to the added options of the last fiscal year or the most recent four consecutive quarters ended on or before February 5, 1974, two firms suggested permitting the pricing base period for wholesale/retail activities to be the last fiscal quarter ended on or before February 5, 1974. While the Council understands the desire to use a short period which was probably entirely under loss/low profit pricing, the Council believes that the four options now available (five for food retailing) are sufficient and that the use of any one quarter is likely to provide an unrepresentative base. The exceptions procedures may be used if none of the available options provide an adequate base for purposes of markup or margin control.

d. *Ten percent rule.* Sections 150.201 (h)(ii) and (h)(iii) in the proposed amendments have been combined into one § 150.201(h)(ii) in the final version. The revised § 150.201(h)(ii) applies to the manufacturing and service activities of a firm subject to Subpart E of Part 150 upon termination of loss/low profit relief. Among other technical changes, this provision now states that, in lieu of the non-applicable adjusted freeze price, the firm may charge the highest price at or above which at least 10% of the items concerned were priced during the last 45-day period prior to termination of loss/low profit relief in which a transaction occurred, and that temporary special sales, deals and allowances may be excluded in calculating prices under the 10% rule.

5. *Miscellaneous.* Two firms requested clarification of the reporting requirements applicable to loss/low profit firms. It was suggested that the substance of CLC Phase IV Price Notice 1973–6 be incorporated into § 150.201(g). That notice outlined which particular parts of the CLC–22 may be omitted for quarterly reporting purposes by loss/low profit firms of different kinds. The Council prefers to prescribe such reporting details in the instructions to the forms or in notices rather than in the regulations. Reporting instructions previously announced do, of course, remain effective until withdrawn or amended by the Council, and nothing in the present amendments is intended to alter pre-existing instructions concerning quarterly or other periodic reports.

Under the proposed amendments the Council stated its intention to drop the requirement to reapply for loss/low profit every fiscal year. In view of this change, certain additional changes of a technical nature have been made in paragraphs (a) and (g) of § 150.201 to appropriately qualify or omit references to the "current fiscal year" as that term relates to the year in which application for loss/low profit relief is made.

It was suggested that a limit be placed on the time for response to a request for continuation of loss/low profit relief under § 150.201(h)(1). The Council considered adding a provision calling for automatic approval after 30 days if no response is made, but it was felt that such a provision unfortunately might tend to forestall action until toward the end of the 30-day period. Since the IRS will be processing such requests the Council is reluctant to set any particular time limit for response. However, the Council believes that because of the nature of such a request it will be given priority and that a response will usually be possible within two to three weeks.

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

In consideration of the foregoing, Part 150 of Title 6 of the Code of Federal Regulations is amended as set forth below, effective February 1, 1974.

Issued in Washington D.C., on April 5, 1974.

JAMES W. MCLANE,
Deputy Director,
Cost of Living Council.

Section 150.201 is amended to read as follows:

§ 150.201 Loss or low profit firms.

(a) *Applicability.* This section applies to any firm which—

(1) Has estimated and has prepared supporting documentation in accordance with paragraph (g) of this section that for the fiscal year concerned it will have a profit margin less than the allowable profit margin as computed in accordance with paragraph (c) of this section; and

(2) Has not paid any of its employees who are owners, with respect to any part of the fiscal year on the basis of which qualification to price pursuant to this section is determined, either wages and salaries at a rate in excess of the maximum individual wage level or incentive compensation in excess of the maximum individual incentive level. For purposes of this paragraph, wages and salaries shall be expressed in terms of an individual annual compensation rate in effect on a specific day; incentive compensation shall be expressed in terms of dollars per year and shall include the value of all items of incentive compensation paid, awarded, or granted, or projected to be paid, awarded, or granted, immediately or on a deferred basis, with respect to the fiscal year concerned.

(b) *Definitions.* For purposes of this section—

"Base period" means, with respect to paragraphs (a)(2) and (f) of this section, the three fiscal years immediately preceding the fiscal year with respect to which the maximum individual incentive level is determined.

"Firm" means either (1) a parent and its consolidated entities, or (2) an unconsolidated entity.

"Incentive compensation" means incentive compensation as defined in § 152.122 of this title, except the term does not include stock options subject to § 201.76(b) or § 152.126 of this title.

"Individual annual compensation rate" means the total of an annual salary rate plus an annual rate of expenditures for included benefits and an annual rate of expenditures for qualified benefits (determined with reference to actual expenditures or by means of proration based on the relationship of the employee's annual salary rate to the average annual salary rate in effect with respect to the appropriate employee unit of which such employee is a member). Such rates shall be determined in accordance with Subpart E of Part 201 of this title.

"Individual apportionment factor" means, with respect to an individual employee, a fraction, the numerator of which shall be the total of all items of incentive compensation (valued and expressed in dollars) paid, awarded, or granted to such employee with respect to the base period, and the denominator of which shall be the total amount of base salary (expressed in dollars and not as a rate) received by such employee with respect to the base period.

"Maximum individual incentive level" shall be computed with respect to an individual employee and a fiscal year by multiplying the highest annual salary rate (expressed in dollars per year) in effect during such fiscal year with respect to such employee by the individual apportionment factor. The product of such multiplication shall be expressed in dollars per year.

"Maximum individual wage level" means, with respect to an individual employee, an individual annual compensation rate (expressed in dollars per year) that is equal to the sum of such employee's individual annual compensation rate (determined with respect to the day before the fiscal year) plus an increase in such rate that is not in excess of the general wage and salary standard, computed in accordance with Parts 152 and 201 of this title. A qualified benefits standard (determined pursuant to § 201.59 of this title) shall be applied.

"Owner" means a person who owns (or is considered to own within the meaning

of 26 U.S.C. § 318(a)(1)), on any day of the fiscal year concerned, more than 5 percent of the outstanding stock of the firm.

(c) *Calculation of allowable profit margin*—(1) *General.* For purposes of determining whether a firm qualifies for loss or low profit relief under this section and whether a firm which has priced pursuant to this section continues to qualify for that relief, all calculations made pursuant to this section shall be consistent with instructions to the Form CLC–22 except that interest expense on long-term debt shall not be included as an operating expense in computing base period or current profit margin under this section.

(2) *Service activities.* For any firm which during its most recently completed fiscal year derived at least 90 percent of its annual sales or revenues from the furnishing of services, the allowable profit margin is 1 percent.

(3) *Other activities.* For any other firm, the allowable profit margin is that corresponding to the firm's capital turnover ratio and is set forth in Column B of the table which immediately follows. The capital turnover ratio is computed by dividing the net sales for the most recently completed fiscal year or the alternative fiscal period by average total capital (long-term debt plus owner's equity, less investments, the income from which is included in non-operating income) for that fiscal year or alternative fiscal period. The average total capital for a fiscal year or alternative fiscal period is computed by adding the outstanding total capital at the beginning of the fiscal year or alternative fiscal period to the outstanding total capital at the end of that fiscal year or alternative fiscal period, and dividing the sum by two:

Column A—Capital turnover ratio	*Column B—Allowable profit margin (percent)*
Less than 3.4	3.0
3.4 or more, but less than 3.6	2.9
3.6 or more, but less than 3.7	2.8
3.7 or more, but less than 3.8	2.7
3.8 or more, but less than 4.0	2.6
4.0 or more, but less than 4.2	2.5
4.2 or more, but less than 4.3	2.4
4.3 or more, but less than 4.5	2.3
4.5 or more, but less than 4.8	2.2
4.8 or more, but less than 5.0	2.1
5.0 or more, but less than 5.3	2.0
5.3 or more, but less than 5.6	1.9
5.6 or more, but less than 5.9	1.8
5.9 or more, but less than 6.3	1.7
6.3 or more, but less than 6.7	1.6
6.7 or more, but less than 7.1	1.5
7.1 or more, but less than 7.7	1.4
7.7 or more, but less than 8.3	1.3
8.3 or more, but less than 9.1	1.2
9.1 or more, but less than 10.0	1.1
10.0 or more, but less than 11.1	1.0
11.1 or more, but less than 12.5	.9
12.5 or more, but less than 14.3	.8
14.3 or more, but less than 16.7	.7
16.7 or more, but less than 20.0	.6
20.0 or more, but less than 25.0	.5
25.0 or more, but less than 33.3	.4
33.3 or more, but less than 50.0	.3
50.0 or more	.2

(d) *Alternative fiscal period.* The alternative fiscal period is the best two of the firm's base period years. For purposes of computing the alternative fiscal period capital turnover ratio of paragraph (c)(3) of this section, the firm shall add the net sales and average total capital, for the firm's two best base period years, and divide the sum by two.

(e) *Pricing.* Notwithstanding Subparts A, E, K, or Q, or the prenotification requirements of Subpart H of this part, but subject to paragraphs (f) through (h) of this section, a loss or low profit firm may, after August 12, 1973, increase any of its prices by an amount reasonably calculated to result by the end of any fiscal quarter ending after the firm qualifies to price in accordance with this section in a profit margin that does not exceed the allowable profit margin computed pursuant to this section.

(f) *Compensation limitations.* If a firm which prices pursuant to this section pays any of its employees who are owners, with respect to any part of a fiscal year during which the firm prices pursuant to this section, wages and salaries in excess of the maximum individual wage level or incentive compensation in excess of the maximum individual incentive level, authority to price pursuant to this section terminates. For purposes of this paragraph, wages and salaries shall be expressed in terms of an individual annual compensation rate in effect on a specific day; incentive compensation shall be expressed in terms of dollars per year and shall include the value of all items of incentive compensation paid, awarded, or granted, or projected to be paid, awarded, or granted, immediately or on a deferred basis, with respect to the fiscal year.

(g) *Reporting.* (1) Each price category I or price category II firm shall, before charging any price pursuant to this section, furnish to the Council sufficient financial data to support its loss or low profit position. The data submitted shall include a Form CLC–22 completed in Parts I through V, including a Schedule R, for the then current fiscal year on a projected basis and for any fiscal year used to calculate the allowable profit margin. The data shall also include a listing of all owners (identified individually by name and title) and an accounting of all wage and salary increases and incentive compensation payments, awards or grants put into effect or projected to be put into effect with respect to each such owner with respect to any fiscal year used to calculate the allowable profit margin and for the fiscal year or years in which prices are to be increased under this section. Such a firm may increase prices under this section after 30 days following the date of the receipt of that financial data by the Council unless, during that 30-day period, the Council suspends, modifies or disapproves that action. The Council may disapprove such action for a firm whose profit margin is at or above the average profit margin of other firms engaged in the same industry. In addition, each price category I and II firm which qualifies to charge prices pursuant to this section shall submit quarterly reports in accordance with Subpart H of this part which shall include sufficient data to demonstrate whether tht firm complied with paragraph (f) of this section for the quarter concerned.

(2) Each price category III firm shall, before charging any price under this section, prepare and maintain at its principal place of business sufficient financial data to support its loss or low profit position. The data prepared must include a Form CLC–22 completed in Parts I through V, including a Schedule R, for the then current fiscal year on a projected basis and for any fiscal year used to calculate the allowable profit margin. Such data must also include a listing of all owners (identified individually by name and title) and an accounting of all wage and salary increases and incentive compensation payments, awards or grants put into effect or projected to be put into effect with respect to each such owner with respect to any fiscal year used to calculate the allowable profit margin and for the fiscal year or years in which prices are to be increased under this section.

(h) *Termination of loss or low profit relief.* (1) The applicability of paragraph (e) of this section terminates at the end of the 45th day following the fiscal quarter in which a firm which has increased prices pursuant to this section achieves the allowable profit margin pursuant to this section. For purposes of this paragraph, a firm shall be deemed to have achieved the allowable profit margin computed pursuant to this section if for the fiscal quarter concerned it experiences a profit margin which is equal to the allowable profit margin or falls short of that profit margin by .01% or less. However, a firm which achieves for the fiscal quarter concerned the allowable profit margin pursuant to this section may continue to qualify for loss or low profit relief in accordance with this section if, within 45 days after the end of the fiscal quarter concerned, it submits documentation which demonstrates, to the satisfaction of the Council, that by reason of seasonal patterns or other temporary distortions its profit margin is at a rate which, when projected for the full fiscal year, is less than the allowable profit margin pursuant to this section. A firm which seeks to demonstrate that it has not achieved on an annual basis the allowable profit margin remains subject to paragraph (h)(2) and (3) of this section after the 45-day period has elapsed and until it has received written approval from the Council to continue to price in accordance with paragraph (e) of this section. A firm which exceeds the allowable profit margin pursuant to this section shall be subject to penalties for profit margin excesses in the same manner as any other firm. However, in addition to the grounds provided under § 150.11(f) to excuse a profit margin excess, a firm which exceeds the allowable profit margin pursuant to this section shall be excused from penalty to the extent that the firm can demonstrate to the Council's satisfaction that the excess was a reasonable and unavoidable result of

the pricing rule set forth in paragraph (e) of this section.

(2) Upon termination of authority to increase prices in accordance with paragraph (e) of this section, all the price rules of this part apply, as applicable, except as modified by paragraph (h)(3) of this section.

(3) (i) The base period profit margin upon termination of authority to price in accordance with paragraph (e) of this section shall be the allowable profit margin calculated in accordance with this section or the base period profit margin calculated in accordance with Subpart B of this part, whichever is greater. In either event, the current profit margin shall be calculated with interest expense on long term debt included as an operating expense in accordance with the definition of profit margin in § 150.31 of this title.

(ii) With respect to any manufacturing and service activities of a firm which becomes subject to Subpart E of this part upon termination of authority to price in accordance with paragraph (e) of this section, the rules concerning adjusted freeze prices do not apply. However, in lieu of adjusted freeze price that firm may continue to charge, without cost-justification and without prenotification but subject to the profit margin limitation, the highest price at or above which at least 10% of the items concerned were priced by the firm in transactions with the class of purchaser concerned during the last 45-day period prior to termination of authority to price in accordance with paragraph (e) of this section in which a transaction occurred with respect to the item and class of purchaser concerned. Prices charged pursuant to temporary special sales, deals and allowances as defined in § 150.72(a) of this title and in effect during that period may be excluded in computing prices which may be charged under this subparagraph (3)(ii). Further price increases shall be subject to cost-justification and prenotification in accordance with this part, except that the firm may use as a base price period the last fiscal quarter which ended on or before December 31, 1973, in which a transaction occurred with respect to the item and class of purchaser concerned and may use as a base cost period the last fiscal quarter which ended on or before December 31, 1973, in which costs were incurred with respect to the product line or service line concerned. The price and cost base periods prescribed are in addition to those available under Subparts F and G of this part. However, in no case may the base cost period be anterior to the base price period.

(iii) With respect to any wholesaling and retailing activities of a firm which becomes subject to Subpart K of this part upon termination of authority to price in accordance with paragraph (e) of this section, that firm may use as a pricing base period either the last fiscal year ending prior to February 5, 1974, the most recent four fiscal quarters ending prior to February 5, 1974, or the pricing base periods available under Subpart K of this part.

(iv) With respect to any food manufacturing activities of a firm which becomes subject to § 150.606 of this title upon termination of authority to price in accordance with paragraph (e) of this section, that firm may use as a base period for revenue purposes and as a base cost period for food raw material costs any four consecutive fiscal quarters which ended on or after May 11, 1973, and on or before the closing date of the fiscal quarter which next precedes the fiscal quarter 45 days after which authority to price in accordance with paragraph (e) of this section terminates, and may use as a base cost period with respect to costs other than food raw materials costs the next succeding fiscal quarter. With respect to any food and non-food retailing activities of a firm which becomes subject to § 150.604(b)(1) of this title upon termination of authority to price in accordance with paragraph (e) of this section, a pricing entity may use as a pricing base period the last fiscal year which ended prior to February 5, 1974, or the most recent four consecutive fiscal quarters ending prior to February 5, 1974. The revenues, cost and pricing base periods prescribed are in addition to those available under Subpart Q of this part. However, in no case may the base cost period for food raw materials costs be anterior to the base period for revenue purposes.

[FR Doc.74-8226 Filed 4-5-74;3:17 pm]

Title 7—Agriculture

CHAPTER III—ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Pink Bollworm

MISCELLANEOUS AMENDMENTS TO REGULATED AREAS

This document amends the supplemental regulation which lists regulated areas for purposes of the Federal Pink Bollworm Quarantine by removing from the list of suppressive regulated areas in Arkansas all of the previously regulated area in Lonoke County and by adding a portion of Pulaski County. Also, it further amends the regulation by removing all of the previously regulated area in Jefferson County and by adding a newly infested portion of that county.

In regard to areas removed from regulations, the provisions of the regulations with respect to the interstate movement of regulated articles from regulated areas in quarantined States will not apply to the interstate movement of such articles from the specified areas, but the provisions with respect to the interstate movement of regulated articles from nonregulated areas in the quarantined State will be applicable.

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

§ 301.52-2a [Amended]

1. In § 301.52-2a relating to the State of Arkansas under suppressive area, the following county is redescribed and listed in alphabetical order as follows:

2. In § 301.52-2a relating to the State of Arkansas under suppressive area, the entire description for Lonoke County is deleted and the following county is added in alphabetical order as follows:

ARKANSAS

* * * * *

(2) *Suppressive area.*

* * * * *

Jefferson County. That portion of the county lying south of U.S. Highway 79 and north of the Arkansas River.

* * * * *

Pulaski County. That portion of the county lying east of Interstate 30 and south and west of the Arkansas River.

* * * * *

(Secs. 8, 9, 37 Stat. 318, as amended, sec. 106, 71 Stat. 33; 7 U.S.C. 161, 162, 150ee; 37 FR 28464, 28477; 38 FR 19140; 7 CFR 301.52-2, as amended)

Effective date. This amendment shall become effective April 9, 1974.

The Deputy Administrator of the Plant Protection and Quarantine Programs has determined that the pink bollworm has been found or there is reason to believe it is present in the civil divisions and parts of civil divisions listed above as regulated areas or that it is necessary to regulate such areas because of their proximity to pink bollworm infested localities. Further, the Deputy Administrator has found that facts exist as to the pest risk involved in the areas removed from the list of regulated areas which make it safe to relieve the requirements of the quarantine as provided herein. He has also determined that the areas designated as suppressive and generally infested areas are eligible for such designation under § 301.52-1, as amended.

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

To the extent that this revision relieves certain restrictions presently imposed, it should be made effective

promptly in order to be of maximum benefit to persons subject to the restrictions which are being relieved. To the extent that this revision imposes restrictions, they are necessary in order to prevent the spread of the pink bollworm and should be made effective promptly to accomplish their purpose in the public interest. Also, it does not appear that additional information would be made available to the Department by public participation in rulemaking proceedings on this amendment.

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

Done at Washington, D.C., this 3d day of April, 1974.

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

[FR Doc.74-8062 Filed 4-8-74;8:45 am]

Title 13—Business Credit and Assistance

CHAPTER III—ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE

PART 301—ESTABLISHMENT AND ORGANIZATION

PART 302—DESIGNATION OF AREAS

Grant and Loan Program

Parts 301 and 302 of Chapter III of Title 13 of the Code of Federal Regulations are hereby amended.

In that the material contained herein is a matter relating to the grant and loan program of the Economic Development Administration, the relevant provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date are inapplicable.

In § 301.2, the definition of "Alaskan Native Village" is revised to read as follows:

§ 301.2 Definitions.

* * * * *

"Alaskan Native Village" means a town or village site occupied and used by natives of Alaska—Indians, Eskimos, and Aleuts pursuant to the 1926 Native Townsite Act or recognized as a native village under the Alaska Native Claims Settlement Act, together with any contiguous corporate boundary adjustments thereof under the laws of the State of Alaska and such additional lands as are authorized to be included within the meaning of "Indian reservation" and "trust or restricted Indian-owned land areas" by Pub. L. 92-203, § 2, Dec. 18, 1971, 85 Stat. 688, 43 USC 1601.

* * * * *

Section 302.4 is amended to read as follows:

§ 302.4 Standards for designation on the basis of Indian lands.

(a) The Assistant Secretary shall designate those Indian reservations, Indian trust land areas, and restricted Indian-owned land areas, including Alaskan Native Villages, which manifest the greatest degree of economic distress as redevelopment areas.

* * * * *

(Sec. 701, Pub. L. 89-136 (August 26, 1965) (42 U.S.C. 3211); 79 Stat. 570 and Department of Commerce Organization Order 10-4 (April 1, 1970)).

Effective date. These amendments become effective on April 9, 1974.

Dated: April 4, 1974.

WILLIAM W. BLUNT, Jr.,
Assistant Secretary for Economic Development.

[FR Doc.74-8092 Filed 4-8-74;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 33—SPORT FISHING

Arrowwood National Wildlife Refuge, N. Dak.

The following special regulation is issued and is effective on April 9, 1974.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

ARROWWOOD NATIONAL WILDLIFE REFUGE

NORTH DAKOTA

Sport fishing on the Arrowwood National Wildlife Refuge, North Dakota is permitted only on the areas designated by signs as open to fishing. These open areas comprising 1,550 acres are delineated on maps available at the refuge headquarters located 6 miles east of Edmunds, North Dakota 58434. Sport fishing shall be in accordance with all applicable state regulations subject to the following special conditions.

(1) The open season for sport fishing on the refuge shall extend from May 15, 1974 to October 1, 1974, daylight hours only.

(2) The use of boats with motors is prohibited.

The provisions of these special regulations supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Part 33, and are effective through October 1, 1974.

GLEN R. MILLER,
Acting Refuge Manager, Arrowwood National Wildlife Refuge, Edmunds, North Dakota.

APRIL 1, 1974.

[FR Doc.74-8108 Filed 4-8-74;8:45 am]

PART 33—SPORT FISHING

Sequoyah National Wildlife Refuge, Okla.

The following special regulation is issued and is effective on April 9, 1974.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

OKLAHOMA

SEQUOYAH NATIONAL WILDLIFE REFUGE

Sport fishing on the Sequoyah National Wildlife Refuge, Oklahoma, is permitted only on the areas designated by signs as open to fishing. These open areas, comprising 10,100 acres, are delineated on maps available at refuge headquarters, Sallisaw, Oklahoma, and from the Regional Director, Bureau of Sport Fisheries and Wildlife, P.O. Box 1306, Albuquerque, New Mexico 87103. Sport fishing shall be in accordance with all applicable State regulations subject to the following special conditions:

(1) The open season for sport fishing on the refuge extends from January 1, 1974 through December 31, 1974, inclusive, except for an area of approximately 2,200 acres south of Vian Creek as posted to be closed during the periods October 1, 1974 through March 31, 1975, inclusive.

(2) Some refuge roads leading to waters open to fishing may be closed during October 1, 1974 through March 31, 1975, inclusive, as posted.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective through December 31, 1974.

MORRIS C. LEFEVER,
Refuge Manager, Sequoyah National Wildlife Refuge, Sallisaw, Oklahoma.

MARCH 25, 1974.

[FR Doc.74-8105 Filed 4-8-74;8:45 am]

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Airspace Docket No. 74-SW-5]

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

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Oklahoma City, Okla. (Wiley Post Airport), control zone.

On February 14, 1974, a notice of proposed rulemaking was published in the FEDERAL REGISTER (39 FR 5640) stating the Federal Aviation Administration proposed to alter the Oklahoma City, Okla. (Wiley Post Airport), control zone.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., June 20, 1974, as hereinafter set forth.

§ 71.171 [Amended]

In Section 71.171 (39 FR 354), the Oklahoma City, Okla. (Wiley Post Airport), control zone is amended to read:

OKLAHOMA CITY, OKLA. (WILEY POST AIRPORT)

Within a 5-mile radius of Wiley Post Airport (latitude 35°32'05" N., longitude 97°38'40" W.) within 2 miles each side of the Wiley Post ILS localizer north course extending from the 5-mile radius zone to the OM (latitude 35°37'33" N., longitude 97°38'50" W.); within 2 miles each side of the Oklahoma City VORTAC 050° radial extending from the 5-mile radius zone to the VORTAC; and excluding the portion S of a line extending through latitude 35°26'33" N., longitude 97°46'21" W., and latitude 35°28'00" N., longitude 97°36'05" W.

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

Issued in Fort Worth, Tex., on April 1, 1974.

ALBERT H. THURBURN,
Acting Director, Southwest Region.

[FR Doc.74-8024 Filed 4-8-74;8:45 am]

CHAPTER II—CIVIL AERONAUTICS BOARD

SUBCHAPTER A—ECONOMIC REGULATIONS

[Regulation ER-843; Amdt. 217-6]

PART 217—REPORTING DATA PERTAINING TO CIVIL AIRCRAFT CHARTERS PERFORMED BY FOREIGN AIR CARRIERS

Types of Charters Not Operated

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on April 4, 1974.

For the reasons set forth in ER-842, published contemporaneously herewith, the Board has decided to amend its regulations requiring air carriers and foreign air carriers to report on their operation of civil charters, as set forth in Parts 241 and 217, respectively, so as to make it clear that a single negative report may be filed covering all types of charters not operated.

Accordingly, the Civil Aeronautics Board hereby amends Part 217 of its Economic Regulations (14 CFR Part 217), effective April 4, 1974, as follows:

Amend paragraph (b) of § 217.6 to read as follows:

§ 217.6 **Reporting instructions.**

(b) Separate reports shall be filed for each of the below-named types of charter and the type shall be inserted opposite the caption "Type of Charter." Types not operated may be listed on a single separate report.

* * * * *

(Sections 204(a) and 402 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 757; 49 U.S.C. 1324, 1372)

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.74-8112 Filed 4-8-74;8:45 am]

[Regulation ER-842; Amdt. 241-13]

PART 241—UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Reporting of Civil Aircraft Charters

Adopted by the Civil Aeronautics Board on April 4, 1974.

Route air carriers and supplemental carriers are presently required by part 241 of the Board's Economic Regulations (14 CFR Part 241), to file Schedule T-6, under sections 25 and 35, respectively, reporting with respect to their operation of various types of civil charters. A comparable reporting requirement is imposed on foreign air carriers, under § 217.6(b) of Part 217 of the Board's Economic Regulations (14 CFR Part 217).

The aforedescribed regulations require separate reports to be filed for each type of charter specified therein. However, although it has been, and continues to be, our intention to thereby require negative reports to be filed for those types of charter not operate by the reporting carrier, we have no need for such negative reports to be filed separately for each type of charter not operated. Accordingly, we are amending these regulations to make it clear that a single negative report may cover all types of charter not operated.

We are also taking this occasion to amend section 25 of Part 241 so as to add inclusive-tour charters to the list of the types of charters required to be reported by route air carriers in their Schedule T-6. This amendment reflects the fact that this class of carriers now has authority to operate inclusive-tour charters.[1]

Since the within amendments are of an interpretative and technical nature, imposing no substantial burden on any person, the Board finds that public notice and procedures hereon are unnecessary and that the amendments may become effective immediately.

In consideration of the foregoing the Civil Aeronautics Board hereby amends Part 241 of the Economic Regulations (14 CFR Part 241), effective April 4, 1974, as follows:

1. Amend the text for Schedule T-6—Summary of Civil Aircraft Charters, in Section 25—Traffic and Capacity Elements, by revising paragraph (c) to read as follows:

Schedule T-6—Summary of Civil Aircraft Charters

* * * * *

(c) Separate reports shall be filed for each of the below-named types of charter and the type shall be inserted opposite the caption "Type of Charter." Types not operated may be listed on a single separate report.

* * * * *

(8) Inclusive-tour charter, as defined in Part 378 of the Board's Special Regulations.

* * * * *

2. Amend the text for Schedule T-6—Summary of Civil Aircraft Charters in section 35—Traffic and Capacity Elements, by revising paragraph (b) to read as follows:

Schedule T-6—Summary of Civil Aircraft Charters

* * * * *

(b) Separate reports shall be filed for each of the below-named types of charters and the type shall be inserted opposite the caption "Type of Charter." Types not operated may be listed on a single separate report.

* * * * *

(Sections 204(a) and 407 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 766; 49 U.S.C. 1324, 1377)

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.74-8113 Filed 4-8-74;8:45 am]

[1] 14 CFR 207.11, as amended by ER-806.

Title 17—Commodity and Securities Exchanges

CHAPTER II—SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-10707]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

Extension of Time for Furnishing Information, Documents or Reports

The Securities and Exchange Commission announced today that it has adopted Form 12b-25 (17 CFR 249.322) and an amendment to Rule 12b-25 (17 CFR 240.12b-25) under the Securities Exchange Act of 1934 ("the Act"). Rule 12b-25 sets forth the circumstances under which a registrant may apply for an extension of time to furnish to the Commission information required by sections 13 and 15(d) under the Act. The newly adopted amendment to Rule 12b-25 provides that all applications for extensions of time to furnish information to the Commission must be submitted on Form 12b-25. The purpose of the amendment is to give registrants clear and practical guidelines for applying for an extension and to allow for uniform and more expeditious consideration of such applications by the Commission's staff.

The Commission has also adopted an amendment to Rule 0-3 (17 CFR 240.0-3) under the Act relating to the filing of material with the Commission pursuant to the Act or the rules and regulations thereunder. The new amendment to Rule 0-3 provides that if the last day on which papers can be accepted as timely filed falls on a Saturday, Sunday or holiday, such papers may be filed on the first business day following.

The proposal to adopt Form 12b-25, as well as the amendment to Rule 12b-25, was announced in SEA Release No. 10,535, dated December 4, 1973 [published in the FEDERAL REGISTER for December 13, 1973 at 38 FR 34346]. As a result of its invitation for public comment on such announcement, the Commission has adopted a number of very helpful and meaningful suggestions which were advanced by the self-regulatory authorities, the securities bar and registrants.

Commission action. Pursuant to the authority in section 13, 15(d) and 23(a) of the Securities Exchange Act of 1934, the Securities and Exchange Commission hereby amends §§ 240.0-3 and 240.12b-25 and adopts new § 249.322 in Chapter II of Title 17 of the Code of Federal Regulations as set forth below.

§ 240.0-3 Filing of material with the Commission.

All papers required to be filed with the Commission pursuant to the Act or the rules and regulations thereunder shall be filed at the principal office in Washington, D.C. Material may be filed by delivery to the Commission, through the mails or otherwise. The date on which papers are actually received by the Commission shall be the date of filing thereof if all of the requirements with respect to the filing have been complied with, except that if the last day on which papers can be accepted as timely filed falls on a Saturday, Sunday or holiday, such papers may be filed on the first business day following.

§ 240.12b-25 Extension of time for furnishing information.

NOTE: The disclosures required in reports filed with the Commission are essential to the preservation of free, fair and informed securities markets. It is of critical importance that such reports be furnished within the time they are required to be filed under the Commission's rules. Only the most compelling and unexpected circumstances justify a delay in the filing of a report and the dissemination to the public of the factual information called for therein.

(a) If any required information, document or report, other than an initial registration statement under section 12(g) of the Act, cannot, without unreasonable effort or expense, be furnished within the time it is required to be filed, the registrant shall, as soon as possible, but no later than the last day of the specified period, file with the Commission, an application on Form 12b-25 (17 CFR 249.322) for an extension of time of not more than 30 days furnishing the information called for by all items of the Form. One additional extension of not more than 30 days also may be applied for in the same manner as the initial application.

(b) An application pursuant to paragraph (a) of this section shall be deemed granted unless the Commission within 15 days after the receipt thereof shall enter an order denying the application or shall notify the registrant that the application does not meet the requirements of this section.

(c) An application for any further extension of time beyond that provided for in paragraph (a) of this section shall be made in the same manner as set forth in paragraph (a) of this section but shall be deemed to have been denied unless the Commission shall enter an order granting such application within 15 days after its receipt.

(d) If the extension requested pursuant to paragraph (a) or (c) of this section is necessitated by the inability of any person other than the registrant to furnish any required opinion, information, report or certification, the application shall have attached as an exhibit, a statement signed by such person stating the specific reasons why such person is unable to furnish the required opinion, information, report or certification.

(e) If the application pursuant to paragraph (a) or (c) of this section, or the extension of time granted, relates only to a portion of the required information, document or report, the registrant shall file the remaining portion, and the portion filed shall prominently indicate the nature of the omitted portion.

§ 249.322 Form 12b-25. Application for extension of time for furnishing information pursuant to section 13 or 15(d) of the Act.

This form shall be filed pursuant to § 240.12b-25 of this chapter by persons requesting extension of time for furnishing information required by section 13 and/or 15(d) of the Act, in a signed original and four conformed copies with the Commission at Washington, D.C. 20549 no later than the last day of the specified period for filing the information, document or report. Copies of this form may be obtained from the Commission on request.[1]

(Secs. 13, 15(d), 23(a), 48 Stat. 894, 895, 901, secs. 3, 8, 49 Stat. 1377, 1379, sec. 2, 52 Stat. 1075, secs. 4, 6, 10, 78 Stat. 569, 570, 580; 15 U.S.C. 78m, 78 o(d), 78w)

The foregoing action with respect to amendment to § 240.12b-25 and adoption of § 249.322 shall be effective on June 3, 1974. The Commission finds that the amendment to § 240.0-3 relieves a burden and restriction on registrants, that good cause exists for not delaying its effectiveness and that notice and procedures under 5 U.S.C. 553 are not necessary in the public interest and, accordingly, such amendment shall be effective on April 9, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

MARCH 29, 1974.

[FR Doc.74-8122 Filed 4-8-74;8:45 am]

[1] Copies of the form have been filed with the Office of the Federal Register and additional copies may be obtained on request from the Securities and Exchange Commission, Washington, D.C. 20549.

Title 24—Housing and Urban Development

CHAPTER X—FEDERAL INSURANCE ADMINISTRATION, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

[Docket No. FI-237]

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

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

§ 1914.4 Status of participating communities.

* * * * * * *

State	County	Location	Map No.	State map repository	Local map repository	Effective date of authorization of sale of flood insurance for area
*	*	*	*	*	*	*
Illinois	Cook	Norridge, village of.				Apr. 5, 1974, Emergency.
Minnesota	Ramsey	New Brighton, city of.				Do.
Do	Red Lake	Unincorporated areas.				Do.
Do	Clearwater	do				Do.
Do	Cook	do				Do.
Do	Morrison	Royalton, city of				Do.
Do	Goodhue	Cannon Falls, city of.				Do.
Pennsylvania	Northumberland	Shamokin, city of				Do.
Do	Lackawanna	Throop, borough of.				Do.

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

Issued: March 28, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-8000 Filed 4-8-74;8:45 am]

[Docket No. FI-238]

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

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

§ 1914.4 **Status of participating communities.**

* * * * * * *

State	County	Location	Map No.	State map repository	Local map repository	Effective date of authorization of sale of flood insurance for area
*	*	*	*	*	*	*
Alabama	Franklin	Russellville, city of.				Apr. 4, 1974, Emergency.
Georgia	Clayton	Marrow, city of				Do.
Mississippi	Adams	Unincorporated area.				Do.
Missouri	Buchanan	Lewis & Clark, village of.				Do.
New York	Broome	Vestal, town of				Do.
Do	Westchester	Pleasantville, village of.				Do.
Do	Columbia	Kinderhook, village of.				Do.
Ohio	Butler	Hamilton, city of				Do.
Pennsylvania	Northampton	Plainfield, town of.				Do.
Do	Perry	Howe, township of.				Do.
South Carolina	Laurens	Clinton, city of				Do.

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

Issued: March 28, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-7999 Filed 4-8-74;8:45 am]

Title 30—Mineral Resources

CHAPTER I—BUREAU OF MINES, DEPARTMENT OF THE INTERIOR

PART 11—RESPIRATORY PROTECTIVE DEVICES, TESTS FOR PERMISSIBILITY: FEES

Respirator Used in Hazardous Atmospheres

The Secretary of the Interior, through the Mining Enforcement and Safety Administration (MESA), and the Secretary of Health, Education, and Welfare, through the National Institute for Occupational Safety and Health (NIOSH), conduct a testing and approval program for respirators used in hazardous atmospheres pursuant to the regulations contained in 30 CFR Part 11 issued jointly by the Secretaries on March 25, 1972 (37 FR 6244), as amended on March 15, 1973 (38 FR 6993) Section 11.2 provides that until March 30, 1974, respirators shall be considered to be approved for use in hazardous atmospheres if approved under either Part 11 or those Bureau of Mines respirator approval schedules in effect prior to Part 11, but that after March 30, 1974, only respirators tested and approved under Part 11 shall be considered to be approved.

After receiving a written request for a two year extension of the March 30, 1974, deadline from the Industrial Safety Equipment Association, a trade association of respirator manufacturers, MESA and NIOSH decided to conduct a public meeting to consider this request.

Notice of the public meeting was published in the FEDERAL REGISTER for October 18, 1973 (38 FR 28961), and the meeting was held on November 14, 1973, in the Department of Health, Education, and Welfare's Parklawn Building, 5600 Fishers Lane, Rockville, Maryland. Presentations were made by the following organizations: Industrial Safety Equipment Association, American Iron and Steel Institute, Boston Fire Department, Manufacturing Chemists Association, and Tenneco, Inc. A verbatim transcript of the meeting is available for public inspection at the National Institute for Occupational Safety and Health, Parklawn Annex Room 3–32, Parklawn Drive, Rockville, Maryland, and at the office of the Assistant Administrator-Technical Support, MESA, Room 927, 4015 Wilson Boulevard, Arlington, Virginia.

On the basis of information presented at the hearing, numerous written comments, and information developed by NIOSH and MESA, it has been determined that only approximately 35 of the 400 currently approved types of respirators will have been certified under Part 11 by March 30, 1974. Additionally, among the 35 certified types of respirators, there are not enough units manufactured or in process to supply the needs of those who would be required to use approved respirators. Moreover, it appears that manufacturers, particularly the smaller ones, need additional time to establish and implement the formal quality control procedures required by Part 11.

Accordingly, it has been determined, after consultation with the Occupational Safety and Health Administration and the Atomic Energy Commission, that it is necessary to amend Part 11 as set forth below. The amendments provide that on or before September 30, 1974, respirators approved under Part 11 or a Bureau of Mines respirator approval schedule will be approved for use in hazardous atmospheres. The effect of this amendment is to extend the period for complying with the requirements of Part 11 for six months. The amendments further provide that after September 30, 1974, only respirators approved under Part 11 or manufactured pursuant to a quality control plan approved under Part 11 will be approved for such use, except that if a respirator is purchased on or before September 30, 1974, and at the time of purchase was approved under a Bureau of Mines respirator approval schedule, it shall be approved for use until the dates specified in § 11.2(b). Finally, the amendments provide that after March 31, 1975, only respirators approved under Part 11 will be approved for use except that if a respirator is purchased on or before March 31, 1975 and at the time of purchase was approved under a Bureau of Mines respirator approval schedule and manufactured pursuant to a quality control plan approved under Part 11, it shall be approved for use until the dates specified in § 11.2(c). The effect of this amendment is to clarify that users of equipment previously approved under Bureau of Mines schedules may continue to use such equipment, and to permit a gradual phasing out of such equipment in a manner consistent with the ability of these devices to provide effective respiratory protection.

Notice of proposed rulemaking, public rulemaking procedures, and postponements of effective date have been omitted in the issuance of the amendments to section 11.2 because the public has had an opportunity to present its views in the public meeting, and to delay the decision in this matter would be contrary to the public interest. Accordingly these amendments will be effective on April 9, 1974.

Dated: March 29, 1974.

WILLIAM A. VOGELY,
Acting Deputy Assistant Secretary of the Interior.

Dated: April 3, 1974.

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

Section 11.2 is revised to read as follows:

§ 11.2 Approved respirators.

(a) Until September 30, 1974, respirators or combination of respirators shall be approved for use in hazardous atmospheres where such respirators or combinations of respirators are maintained in an approved condition and are the same in all respects as those respirators:

(1) For which a certificate of approval has been issued under his part; or

(2) Fabricated, assembled, or built under any approval or any modification thereof, issued by the U.S. Bureau of Mines, Department of the Interior, in accordance with the schedules set forth in this paragraph;

(i) Self-contained Breathing Apparatus, Bureau of Mines Schedules 13, March 5, 1919; 13A, January 21, 1930; 13B, August 12, 1935; 13C, July 9, 1946; 13D, September 22, 1956, and 13E, July 19, 1968.

(ii) Gas Masks, Bureau of Mines Schedule 14F, April 23, 1955.

(iii) Supplied-air Respirators, Bureau of Mines Schedule 19B, April 19, 1955.

(iv) Filter-type Dust, Fume, and Mist Respirators, Bureau of Mines Schedule 21B, January 19, 1965.

(v) Nonemergency Gas Respirators, Bureau of Mines Schedule 23B, August 4, 1959.

(b) After September 30, 1974, respirators or combinations of respirators shall be approved for use in hazardous atmospheres where such respirators or combinations of respirators are maintained in an approved condition and are the same in all respects as those respirators: (1) For which a certificate of approval has been issued under this part; or (2) fabricated, assembled, or built under any approval or any modification thereof issued by the U.S. Bureau of Mines in accordance with the schedules set forth in paragraph (a) and in accordance with a quality control plan approved under this part: *Provided*, That if a respirator is purchased on or before September 30, 1974 and at the time of purchase was the same in all respects as a respirator approved under a Bureau of Mines Schedule, it shall be approved for use until the following dates:

Until March 31, 1979, for self-contained breathing apparatus approved under Bureau of Mines Schedules 13–13E;

Until March 31, 1977, for gas masks approved under Bureau of Mines Schedule 14F.

Until March 31, 1980, for supplied-air respirators approved under Bureau of Mines Schedule 19B,

Until March 31, 1976, for filter-type dust, fume, and mist respirators approved under Bureau of Mines Schedule 21B and for nonemergency gas respirators approved under Bureau of Mines Schedule 23B.

(c) After March 31, 1975, respirators or combinations of respirators shall be approved for use in hazardous atmospheres where such respirators or combinations of respirators are maintained in an approved condition and are the same in all respects as those respirators for which a certificate of approval has been issued under this part: *Provided*, That if a respirator is purchased on or before March 31, 1975, and at the time of purchase was the same in all respects as a respirator approved under a Bureau of Mines Schedule and was manufactured pursuant to a quality control plan approved under this part, it shall be approved for use until the following dates:

Until March 31, 1979, for self-contained breathing apparatus approved under Bureau of Mines Schedule 13–13E;

Until March 31, 1977, for gas masks approved under Bureau of Mines Schedule 14F;

Until March 31, 1980, for supplied-air respirators approved under Bureau of Mines Schedule 19B;

Until March 31, 1976, for filter-type dust, fume, and mist respirators approved under Bureau of Mines Schedule 21B and for nonemergency gas respirators approved under Bureau of Mines Schedule 23B.

(Secs. 202(h), 204, 508, 33 Stat. 763, 764, 803 (30 U.S.C. 842(h), 844, 957); secs. 2, 3, 5, 36 Stat. 370, as amended 37 Stat. 681 (30 U.S.C. 3, 5, 7); sec. 8(g), 84 Stat. 1600 (29 U.S.C. 657(g)))

[FR Doc.74-8100 Filed 4-8-74;8:45 am]

Title 32—National Defense

CHAPTER XIV—THE RENEGOTIATION BOARD

PART 1464—CONSOLIDATED RENEGOTIATION OF AFFILIATED GROUPS AND RELATED GROUPS

CFR Correction

In § 1464.26(a) appearing on page 206 of 32 CFR Parts 1400–1599, revised as of July 1, 1973, the 12th through the last lines should read as follows: "for any such year or whether the renegotiable receipts or accruals of the group for any such year are less than the applicable minimum amount prescribed in section 105(f) of the act."

Title 33—Navigation and Navigable Waters

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

[CGD 74-17R]

PART 117—DRAWBRIDGE OPERATION REGULATIONS

Draw Signals for Cooper River, N.J.

This amendment changes the regulations for the State Street bridge across the Cooper River at Camden, New Jersey, to require the draw to open on signal if at least 4 hours notice is given. This amendment was circulated as a public notice dated January 30, 1974 by the Commander, Third Coast Guard District, and was published in the FEDERAL REGISTER as a notice of proposed rulemaking (CGD 74-17P) on January 23, 1974 (39 FR 2609). One reply was received which objected to the proposal on the grounds that vandalism could result at an unmanned bridge. The applicant feels that adequate protection will be provided to prevent vandalism.

Accordingly, Part 117 of Title 33 of the Code of Federal Regulations is amended by adding the State Street bridge in Camden, New Jersey to § 117.225(f)(17-a)(i) to read as follows:

§ 117.225 Navigable waters in the State of New Jersey; bridges where constant attendance of draw tenders is not required.

* * * * *

(f) * * *

(17-a) Cooper River:

(i) State Street bridge, Penn Central railroad bridge at North River Avenue and Camden County Highway bridge at Federal Street in Camden. The draws of these bridges shall open on signal if at least 4 hours notice is given.

* * * * *

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937 (33 U.S.C. 499, 49 U.S.C. 1655(g)(2)); 49 CFR 1.46(c)(5), 33 CFR 1.05-1(c)(4)).

Effective date. This revision shall become effective on May 14, 1974.

Dated: April 3, 1974.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard Chief, Office of Marine Environment and Systems.

[FR Doc. 74-8080 Filed 4-8-74;8:45 am]

[CGD 74-23R]

PART 117—DRAWBRIDGE OPERATION REGULATIONS

Draw Closing for West Palm Beach Canal, Florida

This amendment changes the regulations for the West Palm Beach Canal drawbridge that carries U.S. 1 to allow the draw to remain closed from 5:00 p.m. to 9:00 a.m. This amendment was circulated as a public notice dated February 6, 1974 by the Commander, Seventh Coast Guard District, and was published in the FEDERAL REGISTER as a notice of proposed rulemaking (CGD 74-23P) on February 4, 1974 (30 FR 4485). No responses were received.

Accordingly, Part 117 of Title 33 of the Code of Federal Regulations is amended by adding a new § 117.441a immediately after § 117.441 to read as follows:

§ 117.441a West Palm Beach Canal, Florida; U.S. 1 bridge.

The draw shall open on signal from 9 a.m. to 5 p.m. From 5:00 p.m. to 9:00 a.m. the draw need not open for the passage of vessels.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937; (33 U.S.C. 499, 49 U.S.C. 1655(g)(2)); 49 CFR 1.46(c)(5), 33 CFR 1.05-1(c)(4)).

Effective date. This revision shall become effective on May 14, 1974.

Dated: April 3, 1974.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard, Chief Office of Marine Environment and Systems.

[FR Doc.74-8081 Filed 4-8-74;8:45 am]

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER C—AIR PROGRAMS

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

New Jersey Transportation Control Plan; Corrections

In the April 3, 1974, issue of the FEDERAL REGISTER certain changes were made to compliance dates in 40 CFR 52.1597 as they relate to § 52.1596, a regulation for control of organic solvents in New Jersey. Because § 52.1596 is under active reexamination by the Environmental Protection Agency, an additional sixty days extension in the date for early steps in compliance is being granted by today's action.

In addition, the notice of April 3 invited public comment until April 10, 1974, on the extension of § 52.1599 to the Philadelphia area. That date should have been May 1, 1974.

Because this notice grants extensions to dates on which actions would otherwise be necessary, the Administrator finds that good cause exists for making these changes effective immediately upon publication.

(Secs. 110(c) and 301(a) of the Clean Air Act, 42 U.S.C. 1857c-5(c) and 1857g.)

Dated: April 3, 1974.

JOHN QUARLES,
Acting Administrator.

§ 52.1597 [Amended]

In 40 CFR Part 52, Subpart FF—New Jersey, § 52.1597 is amended by changing the date "April 15, 1974" to "June 15, 1974" in paragraphs (b)(1), (c)(1), and (c)(3), by changing the date "June 1, 1974" to "August 1, 1974" in paragraph (b)(2), and by changing the date "August 1, 1974" to "September 1, 1974" in paragraph (b)(3).

[FR Doc.74-8075 Filed 4-8-74;8:45 am]

SUBCHAPTER D—WATER PROGRAMS

PART 108—EMPLOYEE PROTECTION HEARINGS

Establishment of Procedures

On page 32268 of the FEDERAL REGISTER of November 23, 1973, there was published a notice of proposed rulemaking to add a new Part 108 40 CFR establishing procedures for employee protection hearings under section 507(e) of the Federal Water Pollution Control Act, as amended. All comments submitted with respect to the proposed rules were given due consideration.

As a result of comments received, the following changes are made:

1. It is likely that, in some cases, an employee may not wish to press the matter farther than the preliminary investigation of the Regional Administrator. Accordingly, the Regional Administrator is required to provide preliminary findings and conclusions to the complaining employee and the employer. Unless a subsequent request for a hearing is received, this will conclude the proceedings.

2. Under the proposed rules, a hearing would be mandatory unless the Regional Administrator determined "that there is no reasonable possibility that the alleged discrimination is related to an effluent limitation or order under the Act." However, since a hearing would be the most appropriate vehicle for determining factual matters, including the existence of discrimination and its relationship to effluent limitations or orders under the Act, the final rules provide for a hearing where requested by the employee or em-

ployer within fifteen days and where the Regional Administrator determines that there are relevant factual issues to be resolved.

Accordingly, with these modifications, the proposed regulations are adopted as set forth below, effective May 9, 1974.

Dated: April 2, 1974.

JOHN QUARLES,
Acting Administrator.

Part 108 of 40 CFR, as proposed (38 FR 32268, Friday, November 23, 1973, is amended as follows:

1. Section 108.3 is revised to read as follows:

§ 108.3 Request for investigation.

Any employee who is discharged or laid-off, threatened with discharge or lay-off, or otherwise discriminated against by any person because of the alleged results of any effluent limitation or order issued under the Act, or any representative of such employee, may submit a request for an investigation under this Part to the Regional Administrator of the region in which such discrimination is alleged to have occurred.

2. Section 108.4 is revised to read as follows:

§ 108.4 Investigation by Regional Administrator.

Upon receipt of any request meeting the requirements of § 108.3, the Regional Administrator shall conduct a full investigation of the matter, in order to determine whether the request may be related to an effluent limitation or order under the Act. Following the investigation, the Regional Administrator shall notify the employee requesting the investigation (or the employee's representative) and the employer of such employee, in writing, of his preliminary findings and conclusions. The employee, the representative of such employee, or the employer may within fifteen days following receipt of the preliminary findings and conclusions of the Regional Administrator request a hearing under this Part. Upon receipt of such a request, the Regional Administrator, with the concurrence of the Chief Administrative Law Judge, shall publish notice of a hearing to be held not less than 30 days following the date of such publication where he determines that there are factual issues concerning the existence of the alleged discrimination or its relationship to an effluent limitation or order under the Act. The notice shall specify a date before which any party (or representative of such party) may submit a request to appear.

[FR Doc.74-8022 Filed 4-8-74;8:45 am]

SUBCHAPTER E—PESTICIDE PROGRAMS

PART 180—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

BHC; Revocation

An order was published in the FEDERAL REGISTER of August 13, 1973 (38 FR 21783), in response to Pesticide Petition No. 3E1374, establishing an interim tolerance of 1 part per million for residues of the insecticide BHC (benzene hexachloride) in or on the raw agricultural commodity dried lima beans imported from the Malagasy Republic. This interim tolerance was to expire December 31, 1973. Subsequently, the expiration date was extended to March 31, 1974, by an order in the FEDERAL REGISTER of November 29, 1973 (38 FR 32909).

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(e), (m), 68 Stat. 514; 517; 21 U.S.C. 346a(e),(m)), the authority transferred to the Administrator of the Environmental Protection Agency (35 FR 15623), and the authority delegated by the Administrator to the Deputy Assistant Administrator for Pesticide Programs (36 FR 9038), Part 180 is amended by revoking § 180.319a *BHC; interim tolerance for residues.*

Any person who will be adversely affected by the foregoing order may at any time on or before May 9, 1974 file with the Hearing Clerk, Environmental Protection Agency, Room 1019E, 4th & M Streets, SW., Waterside Mall, Washington, D.C. 20460, written objections thereto in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on March 31, 1974.

(Sec. 408(e),(m), 68 Stat. 514,517 (21 U.S.C. 346a(e),(m)))

Dated: April 3, 1974.

HENRY J. KORP,
Deputy Assistant Administrator, for Pesticide Programs.

[FR Doc.74-8023 Filed 4-8-74;8:45 am]

Title 45—Public Welfare

CHAPTER II—SOCIAL AND REHABILITATION SERVICE (ASSISTANCE PROGRAMS), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 249—SERVICES AND PAYMENT IN MEDICAL ASSISTANCE PROGRAMS

Reassignment of Claims—Medicaid Programs

Notice of proposed regulations was published in the FEDERAL REGISTER of June 27, 1973 (38 FR 16911) providing that, with certain exceptions, payments for services provided under a State medical assistance plan may be made only to the provider or recipient of the service and may not be made to an assignee.

Commenters requested that the regulations be revised to specify that Medicaid payments may be made to physician corporations and health maintenance organizations. The regulation states that payment may be made to the employer of a practitioner if he is required as a condition of his employment to turn over his fees to his employer. Thus, health maintenance organizations and physician corporations are included if they are in fact the employer of the practitioner, and no change is necessary. The regulation has been revised, however, to expressly include health maintenance organizations among organizations that operate organized health care delivery systems and to which claims can be reassigned if there is a contractual arrangement under which the organization bills for the practitioner's service. A suggestion was also made that the regulation specify that the Federal or State government may withhold payments to providers against whom there is a Federal or State claim. The regulation would not prohibit withholding otherwise authorized by law, and therefore no revision is considered necessary.

A new § 249.31 is added to part 249 to read as follows:

§ 249.31 Prohibition against reassignment of claims to benefits.

(a) *State plan requirements.*—A State plan for medical assistance under title XIX of the Social Security Act must provide that no payment under the plan for any care or service provided to an individual by a physician, dentist, or other individual practitioner shall be made to anyone other than such individual (who is eligible to receive such payments in accordance with § 249.32) or to such physician, dentist, or practitioner, except that direct payment may be made:

(1) To the employer of the physician, dentist, or other practitioner if the practitioner is required as a condition of his employment to turn over his fees to his employer; or

(2) Where the care or service was provided in a facility, to the facility in which the care or service was provided, if there is a contractual arrangement between the practitioner and the facility whereby the facility submits the claim for reimbursement; or

(3) To a foundation, plan, or similar organization, including a health maintenance organization, which furnishes health care through an organized health care delivery system if there is a contractual arrangement between the organization and the person furnishing the service under which the organization bills or receives payments for such person's services.

(b) *Meaning of terms.* For purposes of this section:

(1) "Facility" is a hospital or other institution which makes provision for furnishing health care services to inpatients.

(2) "Organized health care delivery system" is a public or private organization for delivering health services which may include, but is not limited to, a clinic

or a group practice prepaid capitation plan.

(Sec. 1102, 49 Stat. 647 (42 U.S.C. 1302))

(Catalog of Federal Domestic Assistance Program No. 13. 714, Medical Assistance Program)

Effective date: The regulations in this section shall be effective on June 24, 1974.

Dated: March 18, 1974.

JAMES S. DWIGHT, Jr.,
Administrator.

Approved: April 4, 1974.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

[FR Doc.74-8110 Filed 4-8-74;8:45 am]

Title 47—Telecommunication

CHAPTER I—FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 19356; FCC 74-285]

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

Equipment Authorization of RF Devices; Postponement of Effective Date

In the matter of Amendment of Part 0 and 2 of the rules relating to equipment authorization of RF devices.

1. The Commission has for consideration a request for delay of the effective date of the labelling requirements in the above referenced matter submitted by the Consumer Electronics Group of the Electronics Industries Association (CEG). It should be noted that the request by CEG was submitted as part of a petition for reconsideration of the amendment of our rules relating to equipment authorization of RF devices. The history of this proceeding is described in the Report and Order adopting the revised rules (FCC 74-113 released February 15, 1974, 39 FR 5912 (February 18, 1974)).

2. CEG requests a postponement of the March 25, 1974 effective date of § 2.1045 of the revised rules concerning the labelling of equipment. CEG asserts that the switch to the new labels will require expensive retooling and the lead time provided by the Commission is inadequate. Since a longer lead time is necessary, stay of the effective date will be granted for ninety days to include each of the revised rules on the labelling requirements, i.e., §§ 2.925, 2.969, 2.1003 and 2.1045 pending consideration of the petitions for reconsideration of the above entitled rule amendments.

3. *In view of the foregoing, it is ordered,* That the effective date of §§ 2.925, 2.969, 2.1003 and 2.1045 is stayed until June 25, 1974.

Adopted: March 27, 1974.

Released: April 3, 1974.

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

[FR Doc.74-8097 Filed 4-8-74;8:45 am]

Title 49—Transportation

CHAPTER V—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Docket No. 73-9; Notice 4]

PART 570—VEHICLE IN USE INSPECTION STANDARDS

Response to Petitions for Reconsideration

This notice responds to petitions for reconsideration of Vehicle In Use Inspection Standards and amends the standards in certain minor respects.

The Vehicle In Use Inspection Standards, 49 CFR Part 570, were published on September 5, 1973 (38 FR 23919). Thereafter, pursuant to 49 CFR 553.35, petitions for reconsideration of the rule were received from Motor Vehicle Manufacturers Association (MVMA), Rubber Manufacturers Association (RMA), Firestone Tire and Rubber Company (Firestone), General Motors Corporation (GM), and Ford Motor Company (Ford). This notice discusses the major issues raised by these petitions and their resolution.

Ford called NHTSA's attention to an oversight in the inspection procedure for brake pedal reserve in § 570.5. Notice 1 proposed a force of 25 pounds for power-assisted brake systems and 50 pounds for all other brake systems. These forces were inadvertently omitted in Notice 2, and, accordingly, § 570.5 is amended to include them.

GM and the MVMA requested that the period during which a 125-pound force is applied to the brake pedal be reduced from 30 seconds to 10 seconds. Since the purpose of the standard is to check for brake fluid leakage, and this can be determined during a 10-second period, the petition is granted.

Ford requested that § 570.5(e) "Service Brake System—Brake Hoses and Assemblies" be amended to allow "rub rings," installed as hose protection devices, to come in contact with a vehicle body or chassis. The purpose of these devices as stated by Ford is to prevent damage to hose or tubing and thus promote motor vehicle safety. NHTSA, after investigation, has determined that rub rings or similar protective devices do provide brake hose and tube protection, and § 570.5(e) is amended accordingly. However, should the rub rings wear or abrade to the extent that the hoses or tubing contact the chassis or vehicle body, the vehicle should be rejected.

GM requested that the procedure for inspecting steering wheel lash in § 570.7 (a) be revised so as to yield more consistent results between examiners and inspection stations. It was GM's contention that the term "perceptible movement" was too subjective, and that the many intangible factors involved in the inspection procedure would not provide an objective and repeatable test. The procedure recommended by GM would involve applying a specified force in one direction to remove lash and provide a small amount of torsional wind up, releasing the wheel, and applying another force in the same direction to establish a reference point. The process would be repeated in the opposite direction to establish a second reference point. The distance between the two points would then be measured.

Although the inspection procedure proposed by GM may provide a more objective test of steering system play, it is the belief of NHTSA that additional time will be required to evaluate their proposal under field test conditions with various steering wheel diameters. Therefore, action on this request will be held in abeyance pending completion of such a study.

Ford and GM requested a change in the toe-in alignment specifications listed in § 570.7(d), stating that several vehicles currently in service would exceed the 30 ft/mi toe-in limits established in the standard. For example, 1974 Ford Service Specifications—Tire Scrub (based on a 29-in diameter tire/wheel assembly) shows a maximum toe-in for certain Ford vehicles of 82.5 ft/mi based on 11.78 ft/mi tire scrub for each $\frac{1}{16}$-in toe-in. In its submission to Docket No. 73-9, Ford recommended that the toe-in requirement be no more stringent than 1.5 times the manufacturer's maximum toe-in specification. In consideration of the wide variance between manufacturers' toe-in specification, the limits of ± 30 ft/mi currently used in some State inspections appear to be reasonable for some vehicles and unduly restrictive for others. Section 570.7(d), therefore, is amended to make the requirement more equitable.

The NHTSA, however, believes that wheel alignment designs with high toe-in values are not in the best interests of the consumer, as both tire wear and fuel economy are affected adversely with high toe-in/toe-out conditions. For this reason, industry action to alleviate this problem will be carefully observed.

RMA and Firestone petitioned for a clarification of the language of § 570.9(b) concerning tire type. It was suggested that "tire size designation" would be more explicit than tire "nominal size." NHTSA believes the suggested phrase more clearly defines the intent of the standard, and the petition is granted.

The petitioners additionally contend that the language in § 570.9(b)(i), notably "major mismatch" and "major deviation," could lead the inspector to reject tires that do not have exactly the tire size designation(s) specified by the vehicle manufacturer. NHTSA disagrees with this interpretation of the inspection procedure. The language allows the inspector to pass any vehicle equipped with tires that meet the published vehicle-manufacturer or RMA criteria for tire replacement. Tires with special characteristics such as extra wide sport type tires, "slicks", and extra low profile tires would not meet the criteria for replacement tires. The petition is, therefore, denied.

Both RMA and Firestone requested a change in the language of § 570.9(d)(i) which specified the use of an awl to probe cuts on tires as a method for evaluating

the extent of tire damage. Firestone strongly recommended the use of a "blunt instrument" rather than an awl to prevent further damage to the tire. The NHTSA feels that this is a constructive request, and the petition is granted.

RMA and GM requested a change in § 570.10(b) regarding the limits and the procedure for checking lateral and radial runout of wheel assemblies. GM contented, based on a survey of 500 vehicles of its employees, that the 3/32 in runout specification is too restrictive and that owners of vehicle with runouts of 0.050 to 0.225 in did not experience loss of air pressure or any detectable vibration. GM recommended a runout specification of at least 1/8 in. After reviewing the GM data, NHTSA has determined that the request is reasonable and, therefore, the petition is granted. Accordingly § 570.10(b) is amended to reflect the 1/8-in radial and lateral runout limits.

Finally there were several requests to include provisions for non-matching spare or emergency tires, prohibition of radial-ply tire mix with any other tire type on the same vehicle, and recommendations for inclusion of minimum criteria for accuracy of test devices. Since these topics were not included in prior rulemaking notices, these recommendations will be considered for future action.

In consideration of the foregoing, 49 CFR Part 570, Vehicle In Use Inspection Standards, is amended as follows:

1. Section 570.5 is revised to read:

§ 570.5 Service brake system.

Unless otherwise noted, the force to be applied during inspection procedures to power-assisted and full-power brake systems is 25 lb, and to all other systems, 50 lb.

* * * * *

(e) *Brake hoses and assemblies.* Brake hoses shall not be mounted so as to contact the vehicle body or chassis. Hoses shall not be cracked, chafed, or flattened. Protective devices, such as "rub rings," shall not be considered part of the hose or tubing.

2. Section 570.7(d) is revised to read:

§ 570.7 Steering systems.

* * * * *

(d) *Alignment.* Toe-in and toe-out measurements shall not be greater than 1.5 times the value listed in the vehicle manufacturer's service specification for alignment setting.

(i) *Inspection procedure.* Verify that toe-in or toe-out is not greater than 1.5 times the values listed in the vehicle manufacturer's service specification for alignment settings as measured by a bar-type scuff gauge or other toe-in measuring device. Values to convert toe-in readings in inches to scuff gauge readings in ft/mi side-slip for different wheel sizes are provided in Table I. Tire diameters used in computing scuff gauge readings are based on the average maximum tire dimensions of grown tires in service for typical wheel and tire assemblies.

TABLE I.—*Toe-in settings from vehicle MFR's service specifications*

Wheel size (inches)	Nominal tire diameter (inches)	Readings in feet per mile sideslip								
		1/16 in	1/8 in	3/16 in	1/4 in	5/16 in	3/8 in	7/16 in	1/2 in	9/16 in
13	25.2	13.1	26.2	39.3	52.4	65.5	78.6	91.7	104.8	117.9
14	26.4	12.5	25.0	37.5	50.0	62.5	75.0	87.5	100.0	112.5
15	28.5	11.5	23.0	34.5	46.0	57.5	69.0	80.5	92.0	103.5
16	35.6	9.3	18.6	27.9	37.2	46.5	55.8	65.1	74.4	83.7

3. Section 570.9(b) and (d)(i) are revised to read as follows:

§ 570.9 Tires.

* * * * *

(b) *Type.* Vehicle shall be equipped with tires on the same axle that are matched in tire size designation, construction, and profile.

* * * * *

(d) * * * (i) *Inspection procedures.* Examine visually for conditions indicated, using a blunt instrument if necessary to probe cuts or abrasions.

5. Section 570.10(b) is revised to read:

§ 570.10 Wheel assemblies.

* * * * *

(b) *Deformation.* The lateral and radial runout of each rim bead area shall not exceed one-eighth of an inch of total indicated runout.

(i) *Inspection procedure.* Using a runout indicator gauge, and a suitable stand, measure lateral and radial runout of rim bead through one full wheel revolution and note runout in excess of one-eighth of an inch.

Effective date: May 9, 1974.

(Sec. 103, 108, 119, Pub. L. 89-563, 80 Stat. 718 (15 U.S.C. 1392, 1397, 1401); delegation of authority at 49 CFR 1.51.)

Issued on April 3, 1974.

JAMES B. GREGORY,
Administrator.

[FR Doc.74-7966 Filed 4-8-74;8:45 am]

Proposed Rules

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Parts 20, 25]

ESTATE AND GIFT TAXES

Valuation of Shares in an Open-End Investment Company

Notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing (preferably six copies) to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by May 10, 1974. Written comments or suggestions which are not exempt from disclosure by the Internal Revenue Service may be inspected by any person upon compliance with 26 CFR 601.702 (d) (9). The provisions of 26 CFR 601.601 (b) shall apply with respect to the designation of portions of comments or suggestions as exempt from disclosure. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commission by May 10, 1974.

In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER, unless the person or persons who have requested a hearing withdraw their requests for a hearing before notice of the hearing has been filed with the Office of the Federal Register. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

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

This document contains proposed amendments to the Estate Tax Regulations (26 CFR Part 20) under section 2031 of the Internal Revenue Code of 1954 and to the Gift Tax Regulations (26 CFR Part 25) under section 2512 of such Code in order to conform such regulations to the decision of the Supreme Court in United States v. Cartwright, 411 U.S. 546 (1973).

The proposed amendments provide for the valuation of shares of an open-end investment company at the "bid" or public redemption price of such shares, rather than at the "asked" or public offering price, for purposes of the estate and gift taxes.

The revised valuation rules would generally apply to estates of decedents dying after August 16, 1954, and to gifts made after December 31, 1954.

With respect to a beneficiary's or donee's basis in such shares which is determined by reference to the valuation used for estate and gift tax purposes, the Internal Revenue Service is publishing guidelines under which a determination of basis, which is consistent with the regulations heretofore issued, will not be disturbed. Such guidelines are contained in Revenue Procedure 74–3 which will be published in Internal Revenue Bulletin No. 1974–19, dated May 13, 1974.

Proposed amendments to the regulations. In order to revise the rules relating to the determination of fair market value of a share in an open-end investment company, the Estate Tax Regulations (26 CFR Part 20) under section 2031 of the Internal Revenue Code of 1954 and the Gift Tax Regulations (26 CFR Part 25) under section 2512 of such Code are amended as follows:

PARAGRAPH 1. Paragraph (b) of § 20.2031–8 is amended to read as follows:

§ 20.2031–8 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.

* * * * *

(b) *Valuation of shares in an open-end investment company.* (1) The fair market value of a share in an open-end investment company (commonly known as a "mutual fund") is the public redemption price of a share. In the absence of an affirmative showing of the public redemption price in effect at the time of death, the last public redemption price quoted by the company for the date of death shall be presumed to be the applicable public redemption price. If the alternate valuation method under 2032 is elected, the last public redemption price quoted by the company for the alternate valuation date shall be the applicable redemption price. If there is no public redemption price quoted by the company for the applicable valuation date (e.g., the valuation date is a Saturday, Sunday, or holiday), the fair market value of the mutual fund share is the last public redemption price quoted by the company for the first day preceding the applicable valuation date for which there is a quotation. In any case where a dividend is declared on a share in an open-end investment company before the decedent's death but payable to shareholders of record on a date after his death and the share is quoted "ex-dividend" on the date of the decedent's death, the amount of the dividend is added to the ex-dividend quotation in determining the fair market value of the share as of the date of the decedent's death. As used in this paragraph, the term "open-end investment company" includes only a company which on the applicable valuation date was engaged in offering its shares to the public in the capacity of an open-end investment company.

(2) The provisions of this paragraph shall apply with respect to estates of decedents dying after August 16, 1954.

PAR. 2. Paragraph (b) of § 25.2512–6 is amended to read as follows:

§ 25.2512–6 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.

* * * * *

(b) *Valuation of shares in an open-end investment company.* (1) The fair market value of a share in an open-end investment company (commonly known as a "mutual fund") is the public redemption price of a share. In the absence of an affirmative showing of the public redemption price in effect at the time of the gift ,the last public redemption price quoted by the company for the date of the gift shall be presumed to be the applicable public redemption price. If there is no public redemption price quoted by the company for the date of the gift (e.g., the date of the gift is a Saturday, Sunday, or holiday), the fair market value of the mutual fund share is the last public redemption price quoted by the company for the first day preceding the date of the gift for which there is a quotation. As used in this paragraph the term "open-end investment company" includes only a company which on the date of the gift was engaged in offering its shares to the public in the capacity of an open-end investment company.

(2) The provisions of this paragraph shall apply with respect to gifts made after December 31, 1954.

[FR Doc.74–8011 Filed 4–8–74;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Social and Rehabilitation Service

[45 CFR Part 234]

FINANCIAL ASSISTANCE TO INDIVIDUALS; JOINT PAYEE PROCEDURE

Withdrawal of Notice of Proposed Rule Making

The purpose of this notice is to withdraw notice of proposed rulemaking published in the FEDERAL REGISTER February 12, 1974, 39 FR 5323, in which it was proposed to give States the option of issuing part of the assistance grant jointly to the recipient and a provider designated by him, for purchase of heating fuel or payment of rent and utilities.

The proposal is hereby withdrawn. Further study will be given to this matter and if the energy shortage continues, the proposal may be considered at a later time.

(Sec. 1102, 49 Stat. 647, (U.S.C. 1302).)
(Catalog of Federal Domestic Assistance Program No. 13.761, Public Assistance—Maintenance Assistance (State Aid).)

Dated: April 1, 1974.

JAMES S. DWIGHT, Jr.,
Administrator, Social and Rehabilitation Service.

Approved: April 3, 1974.

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

[FR Doc.74-8109 Filed 4-8-74;8:45 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[33 CFR Part 117]

[CGD 7497]

BRIDGES ACROSS STURGEON BAY, WISCONSIN

Proposal To Change Drawbridge Operation Regulations

At the request of the City of Sturgeon Bay, Wisconsin, the Coast Guard is considering amending the regulations for the Michigan Street drawbridge across Sturgeon Bay. Present regulations require that the draw open on signal. The proposed regulations would provide that from May 15 through September 15, the draw would open on the hour and half-hour from 6:30 a.m. to 6:00 p.m., provided there are vessels waiting to pass. The draw would open on signal at all other times during this period. The proposed regulations also provide that a 12 hour notice be given before the draw is required to open during the winter season of January 1 through March 14. These changes are being considered because of significantly increased vehicular traffic during the summer period and significantly decreased vessel traffic during the winter period. The railroad bridge covered by present regulations is no longer used for any purpose and is required to be maintained in the fully open position at all times.

The proposed regulations change the opening signals required to be given by approaching vessels. This change is being proposed so as to conform signals for this bridge to standard signals being implemented by the Coast Guard.

The proposal also sets out requirements for lowering appurtenances not essential for navigation or appurtenances essential for navigation which can be altered by hinging, telescoping, collapsing or otherwise. These requirements are intended to eliminate unnecessary openings and will permit a more equitable flow of vehicular traffic.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, Ninth Coast Guard District (oan), 1240 East 9th Street, Cleveland, Ohio 44199. Each person submitting comments should include his name and address, identify the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Ninth Coast Guard District.

The Commander, Ninth Coast Guard District, will forward any comments received before May 14, 1974, with his recommendations to the Chief, Office of Marine Environment and Systems, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

In consideration of the foregoing, it is proposed that Part 117 of Title 33 of the Code of Federal Regulations, be amended by revising § 117.645 to read as follows:

§ 117.645 Sturgeon Bay, Wis.; bridges.

(a) The owners of or agencies controlling the highway drawbridge over Sturgeon Bay shall provide the necessary tenders and the proper mechanical appliances for the safe, efficient openings of the draw.

(b) Signals: (1) The opening signal shall be one long blast followed by one short blast of a whistle, horn, siren or by shouting.

(2) Acknowledging Signals: (i) When the draw will open, same as opening signal.

(ii) When the draw will not open or is open and must be closed—four short blasts, repeated at regular intervals until acknowledged by the vessel. As soon as the draw can open, the drawtender shall sound the opening signal.

(c) Draw Operation Requirements: (1) The draw of the railroad bridge shall be maintained in the fully open position.

(2) The draw of the highway bridge shall open as follows:

(i) From March 15 through May 14 and from September 16 through December 31—on signal.

(ii) From May 15 through September 15, from 6:00 p.m. to 6:30 a.m.—on signal.

(iii) From May 15 through September 15, from 6:30 a.m. to 6:00 p.m.—on the hour and half-hour provided vessels are waiting to pass.

(iv) From January 1 through March 14—on signal if at least 12 hours notice is given.

(d) Clearance gauges, of a type approved by the Commandant, shall be installed on the upstream and downstream sides of the drawbridge by and at the expense of the owner of or agency controlling the bridge and such gauges shall be kept in good repair and legible condition.

(e) (1) The drawtender is required to open the draw even though such an opening is needed only to provide additional clearance for vessels with appurtenances unessential to navigation of the vessel, or with appurtenances not necessary for the intended use of the vessel, or with appurtenances essential to navigation but which may be altered by hinging, telescoping, collapsing, or otherwise, so as to require no greater clearance than the highest fixed and essentially unalterable point of the vessel. Appurtenances unessential to navigation include but are not limited to fishing outriggers, television antennae, false stacks, or masts purely for ornamental purposes. Appurtenances essential to navigation or appurtenances necessary for the intended use of the vessel include but are not limited to radar antennae, flying bridges, sailboat masts, piledriver leads, spud frames on hydraulic dredges, drilling derricks, derrick substructures or buildings, cranes on drilling or construction vessels.

(2) Owners of or agencies controlling the drawbridge shall report to the District Commander in charge of the locality the names of any vessels causing bridge openings considered to be in violation of this paragraph. The District Commander may at any time cause an inspection to be made of any vessel so reported and is empowered to decide in each case whether or not the appurtenances are unessential to navigation. If the District Commander decides a vessel has appurtenances unessential to navigation, he shall notify the vessel owner of his decision, specifying a reasonable time for making necessary alterations. If the vessel owner is aggrieved by the decision of the District Commander, he may, within 30 days after receipt of the request to perform necessary alterations, appeal the decision to the Commandant in writing. If the Commandant rules that an appurtenance is unessential to navigation, the District Commander shall again specify to the vessel owner a reasonable time for making necessary alterations to the appurtenance. If the vessel owner has not made the necessary alterations after the expiration of the time specified, the District Commander shall notify the bridge owner that the draw need not open for that vessel.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937; 33 U.S.C. 499, 49 U.S.C. 1655(g)(2); 49 CFR 1.46(c)(5), 33 CFR 1.05-1(c)(4)).

Dated: April 2, 1974.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard, Chief, Office of Marine Environment and Systems.

[FR Doc.74-8079 Filed 4-8-74;8:45 am]

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 74-SW-12]

TRANSITION AREA

Proposed Designation

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to designate a 700-foot transition area at Granbury, Tex.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to Chief, Airspace and Procedures Branch, Air Traffic Division, Southwest Region, Federal Aviation Administration, P.O. Box 1689, Fort Worth, Texas 76101. All communications received on or before May 9, 1974, will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Airspace and Procedures Branch. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

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

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

§ 71.181 [Amended]

In § 71.181 (39 F.R. 440), the following transition area is added:

GRANBURY, TEX.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of the Granbury Municipal Airport (latitude 32°26'38" N., longitude 97°49'00" W.); and within 1.5 miles each side of the Acton VOR TAC 274°T (265°M) radial extending from the 5-mile radius to the Acton VORTAC.

The proposed transition area will provide controlled airspace for aircraft executing the proposed VOR-A (original) approach procedure at the Granbury Municipal Airport.

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

Issued in Fort Worth, TX, on April 1, 1974.

ALBERT H. THURBURN,
Acting Director, Southwest Region.

[FR Doc.74-8026 Filed 4-8-74;8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 74-SO-36]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Trenton, Tenn., transition area.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Federal Aviation Administration, Southern Region, Air Traffic Division, P.O. Box 20636, Atlanta, Ga. 30320. All communications received on or before May 9, 1974 will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Airspace and Procedures Branch. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in light of comments received.

The official docket will be available for examination by interested persons at the Federal Aviation Administration, Southern Region, Room 645, 3400 Whipple Street, East Point, Ga.

§ 71.181 [Amended]

The Trenton transition area described in § 71.181 (39 FR 440) would be amended as follows:

"* * * longitude 88°50'54" W.) * * *" would be deleted and "* * * longitude 88°50'54" W.); within 3 miles each side of the 020° bearing from Gibson RBN (latitude 35°56'03" N., longitude 88°51'-02" W.), extending from the 5-mile radius area to 8.5 miles north of the RBN * * *" would be substituted therefor.

The proposed alteration is required to provide controlled airspace protection for IFR aircraft executing the proposed NDB RWY 19 Instrument Approach Procedure to Gibson County Airport. This approach procedure is predicated on the Gibson (private) Nondirectional Radio Beacon and is proposed in conjunction with the alteration of this transition area.

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

Issued in East Point, Ga., on April 1, 1974.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.74-8027 Filed 4-8-74;8:45 am]

National Highway Traffic Safety Administration

[49 CFR Part 571]

[Docket No. 69-19; Notice 4]

LAMPS, REFLECTIVE DEVICES, AND ASSOCIATED EQUIPMENT

Postponement of Rulemaking Action

On October 25, 1972, the NHTSA issued a notice proposing a major revision of Motor Vehicle Safety Standard No. 108, *Lamps, Reflective Devices, and Associated Equipment*. On the basis of comments submitted in response to that notice and other available information, this agency has determined that some requirements may be appropriate that vary considerably from those proposed.

A further notice of proposed rulemaking will therefore be issued before proceeding to a final rule.

(Secs. 103, 119, Pub. L. 89-563; 80 Stat. 718 (15 U.S.C. 1392, 1407); delegations of authority at 49 CFR 1.51 and 49 CFR 501.8)

Issued on April 3, 1974.

ROBERT L. CARTER,
Associate Administrator, Motor Vehicle Programs.

[FR Doc.74-7989 Filed 4-8-74;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

[40 CFR Part 52]

STATE OF ALASKA

Miscellaneous Revisions to Implementation Plans

On May 31, 1972 (37 FR 10842), pursuant to section 110 of the Clean Air Act and 40 CFR Part 51, the Administrator approved with specific exceptions, the State of Alaska plan for implementation of the national ambient air quality standards.

On September 17, 1973, the State of Alaska Department of Environmental Conservation submitted revisions to the Administrator on its implementation plan. The State is proposing revisions to Regulation I of the Tri-Borough Air Resources Management District. The revisions proposed are to rename and reorganize the regulations, bring emission standards into compliance with State emission standards, provide authority for requiring emission data from sources and meet certain federal criteria.

The Administrator is required by section 110 of the Act to approve or disapprove any revision of an implementation plan submitted by a State. Therefore, public comment is invited on whether the Administrator should approve the revisions to the State of Alaska implementation plan as meeting the requirements of section 110(a)(2)(A)-(H) of the Clean Air Act and 40 CFR Part 51.

Copies of the proposed revisions are available for public inspection during normal business hours at the Office of EPA, Region X, 1200 Sixth Avenue, Seattle, Washington 98101; State of Alaska Department of Environmental Conservation, Pouch O, Juneau, Alaska 99801; Cook Inlet Air Resources Management District c/o Greater Anchorage Area Borough, 3500 Tudor Road, Anchorage, Alaska 99507; Fairbanks North Star Borough, 514 Second Avenue, Fairbanks, Alaska 99707; Environmental Protection Agency, Alaska Operations Office, Room G-66 Federal Building, 605 Fourth Avenue, Anchorage, Alaska 99501; and at the Freedom of

Information Center, EPA, 401 M Street SW., Washington, D.C. 20460.

Interested persons may participate in this rulemaking by submitting written comments, preferably in triplicate to the Regional Administrator, Environmental Protection Agency, Region X, 1200 Sixth Avenue, Seattle, Washington 98101: Attention: J. Akins. Relevant comments received on or before May 9, 1974 will be considered, and will be available during normal working hours at the Region X Office.

This notice of proposed rulemaking is issued under authority of section 110(a) of the Clean Air Act as amended 42 U.S.C. 1857c-5(a).

Dated: April 2, 1974.

JOHN QUARLES,
Acting Administrator,
Environmental Protection Agency.

[FR Doc.74-8018 Filed 4-8-74;8:45 am]

[40 CFR Part 52]

STATE OF WASHINGTON

Proposed Compliance Schedules for Air Quality Plan

On May 31, 1972 (37 FR 10842), pursuant to section 110 of the Clean Air Act and 40 CFR Part 51, the Administrator approved with specific exceptions, the State of Washington plan for implementation of the national ambient air quality standards.

On August 23, 1973 (38 FR 22750), the Administrator disapproved and promulgated compliance schedules in accordance with the requirements of the Clean Air Act and 40 CFR 51.15.

On September 10, 1973, the Washington State Department of Ecology submitted revisions to the Administrator on their implementation plan in the form of permits issued by the State, containing compliance schedules for the following companies:

Sources	*Location*
Allied Chemical	Anacortes.
Associated Sand & Gravel	Arlington.
Biles Coleman	Omak.
Biles-Coleman Lumber Company.	Omak.
Crown Zellerbach	Port Angeles.
Hoh River Cedar	Beaver.
Long Star Industries	Seattle.
North Pacific Plywood	Tacoma.
Pope and Talbot	Kalama.
Puget Sound Plywood	Tacoma.
Scott Paper Company	Anacortes.
Snohomish County Road District #2.	Kenmore.
Snohomish County Road District #3.	Monroe.
St. Regis Paper	Klickitat.
Washington Water & Power.	Spokane.
Weyerhaeuser (amended).	Longview.

The Administrator is required by section 110 of the Act to approve or disapprove any revision of an implementation plan submitted by a State. Therefore, public comment is invited on whether the Administrator should approve or disapprove the compliance schedules named above as revisions to the State plan.

Copies of the proposed revisions are available for public inspection during normal business hours at the Office of EPA, Region X, 1200 Sixth Avenue, Seattle, Washington 98101; the Department of Ecology, St. Martin's College, Olympia, Washington 98504; Yakima County Clean Air Authority, Room 201, Yakima County Courthouse, Yakima, Washington 98901; Southwest Air Pollution Control Authority, 7601-H N.E. Hazel Dell Avenue, Vancouver, Washington 98665; Spokane County Air Pollution Control Authority, N. 811 Jefferson, Spokane, Washington 98201; and at the Freedom of Information Center, EPA, 401 M Street, SW, Washington, D.C. 29460.

Interested persons may participate in this rulemaking by submitting written comments, preferably in triplicate to the Regional Administrator, Environmental Protection Agency, Region X, 1200 Sixth Avenue, Seattle, Washington 98101: Attention: J. Akins. Relevant comments received on or before May 9, 1974, will be considered and will be available during normal working hours at the Region X Office.

This notice of proposed rulemaking is issued under authority of Section 110(a) of the Clean Air Act as amended. (42 U.S.C. 1857c-5(a)).

Dated: April 2, 1974.

JOHN QUARLES,
Acting Administrator.

[FR Doc.74-8020 Filed 4-8-74;8:45 am]

[40 CFR Part 52]

U.S. VIRGIN ISLANDS IMPLEMENTATION PLAN

Proposed Revision

On May 31, 1972, (37 FR 10842), the Administrator disapproved the Virgin Islands Air Implementation Plan to the extent that the plan did not provide for a means of disapproving construction or modification of stationary sources if said construction or modification would interfere with the attainment or maintenance of a national standard. On March 8, 1973, (38 FR 6880), all state implementation plans were disapproved insofar as the plans did not contain adequate procedures to prevent the construction and modification of indirect sources of air pollution if the maintenance of a national standard is threatened.

The Virgin Islands has now submitted to the Administrator for approval two revisions to its plans consisting of new regulations. They are:

(1) Section 206-30 "Review of New Sources and Modifications", and

(2) Section 206-31 "Review of New or Modified Indirect Sources".

These regulations are intended to correct the deficiencies noted May 31, 1972 and March 8, 1973 by providing regulatory procedures for review of new or modified stationary and indirect sources of air pollution.

This notice is issued, as required by section 110 of the Clean Air Act, to advise the public that comments may be submitted on whether the proposed revisions should be approved or disapproved. Only comments received within the 30-day comment period will be considered. The Administrator's decision to approve or disapprove the proposed plan revisions will be based on whether such revisions meet the requirements of section 110(a)(2)(A)-(H) and EPA regulations in 40 CFR Part 51.

Copies of the proposed plan revisions are available for public inspection during normal business hours at the Office of Public Affairs, EPA, Region II, 26 Federal Plaza, New York, N.Y. 10007, and at the Virgin Islands Department of Environmental Health, Air Pollution Control Program, Charlotte Amalie, St. Thomas, Virgin Islands 00801. Additional copies are available for public inspection at the Freedom of Information Center, EPA, 401 M Street, SW., Washington, D.C. 20460. All comments should be addressed to the Regional Administrator, Environmental Protection Agency, Region II, 26 Federal Plaza, New York, N.Y. 10007.

This notice of proposed rulemaking is issued under authority of section 110(a) of the Clean Air Act (42 U.S.C. 1857c-5(a)).

Dated: April 2, 1974.

JOHN QUARLES,
Acting Administrator,
Environmental Protection Agency.

[FR Doc.74-8019 Filed 4-8-74;8:45 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 73]

[Docket No. 19983, RM-2109]

FM BROADCAST STATIONS

Table of Assignments, Gilroy, Ca.

In the matter of amendment of § 73.202(b), Table of Assignments, FM Broadcast Stations. (Gilroy, California)

1. Notice of Proposed Rule Making is given with respect to the petition of Entertainment Radio Incorporated (Entertainment) requesting amendment of the FM Table of Assignments (§ 73.202(b) of the Commission's Rules and Regulations) to assign Channel 233 in lieu of 232A at Gilroy, California. Entertainment is the licensee of Station KSND (FM) on Channel 232A. Also providing aural broadcast service at Gilroy is daytime-only AM Station KAZA, licensed to Radio Fiesta Corporation.[1]

2. Gilroy, population 12,665, is located in Santa Clara County, population 1,064,714, which is the San Jose Standard Metropolitan Statistical Area (SMSA).[2] Entertainment alleges that from its transmitter site 7½ miles west of Gilroy only

[1] The call sign of KSND(FM) was formerly KPER(FM). At the time of the petition, both stations were licensed to South Valley Broadcasters. The AM station was assigned to Radio Fiesta in early 1973; and later the licensee of KSND changed name coincident with the change from a partnership to a corporation.

[2] All population information is from the 1970 Census unless otherwise indicated.

marginal service is provided to Gilroy and Morgan Hill, population 6,485, 10 miles northwest of Gilroy, also in Santa Clara County. Morgan Hill has no broadcast service of its own. In apparent recognition that a community the size of Gilroy is entitled to only a Class A channel under the priorities set out in the Third Report, Memorandum Opinion and Order, 40 F.C.C. 747, 758 (1963), petitioner relies on the fact that there is interference in the area between Gilroy and Morgan Hill and parts of Morgan Hill from Station KPFA, Channel 231, Berkeley, California, a super-power FM station (see § 73.206(b)(3)). In a supplement filed in response to the Commission's request for further information to determine possible compliance with the criteria of the Roanoke Rapids, 9 F.C.C. 2d 672, 673 (1967), decision, Entertainment adduced additional data and information stating that Station KSND, in its last renewal application expressed the intent to serve primarily Gilroy, Morgan Hill and the surrounding rural areas of Santa Clara County, known as the "South County," and secondarily to serve the cities of Watsonville, 14,569, and Hollister, population 7,663.[3] The South County, we are told, is regarded as a single planning entity where the future population expansion of Santa Clara County is expected to occur. A South County Planning Program Policy Committee has been established to work with and advise the County, Gilroy, and Morgan Hill planning commissions in order to provide for an orderly and coordinated planning policy for the South County. Toward this end, Gilroy, Morgan Hill, and San Martin (population 1,392) have agreed to operate a sewage system to service the area south of Morgan Hill, and a new freeway bypass around the three communities has been completed. The South County consists of approximately one-third of the land area of Santa Clara County and only about two percent of its population. It is anticipated that with the influx of population and industry from the San Jose area the population of Gilroy will increase to 25,000 or 30,000 population by 1975, that of Watsonville will increase by 80 percent within three years, and that of the South County by 400 percent within the next decade. Since there are only three newspapers (two weekly and one bi-weekly), Station KSND expects to become the primary source of local news, information and entertainment to the South County area.

3. Under the population criteria for the assignment of FM channels, a community the size of Gilroy merits only a Class A assignment. There are exceptions, for example, when a higher class FM channel assignment would provide service to unserved and underserved areas. In this respect, Entertainment claims that a Class B station from its present transmitter site would serve 585,996 persons in an area of 2,840 square miles (as compared to present coverage to 151,699 persons and a 570 square mile area). However, as petitioner's own study shows, there are a minimum of three and a maximum of 13 broadcast services provided in the proposed area of service. Thus, the Roanoke Rapids doctrine does not apply. On the other hand, the fact that the operation of Station KPFA, Channel 231, Berkeley, at greater than normally authorized maximum Class B facilities (59 kW at 1330 ft. antenna a.a.t.) limits Station KSND's 1 mV/m service contour in a northwesterly direction from the normal 15 miles to 10 miles and causes a substantial interference problem in the principal area of service is of sufficient concern to consider a channel change.

4. The preclusion study shows that the proposed substitution of Channel 233 to Gilroy would foreclose future assignments on Channels 233 and 234. There are a number of communities located in the preclusion area, but most either are not large enough to warrant the assignment of a Class B channel, or, if of requisite size, already have an FM assignment and do not warrant an additional channel assignment.

5. It would appear that petitioner has made an adequate showing that the assignment of Channel 233 to Gilroy might serve the public interest, convenience and necessity, at least to the extent of our putting the matter out for proposed rule making.[4] However, we should like further information. To the extent that Entertainment relies on population increase of Gilroy and the South County, we should like current data about the population of Gilroy and the principal communities to be served. In this respect, we should like official Census data if available, or in the absence of that similar type information from state, county, or city sources, or information gathered and published by the chamber of commerce. While assignments are made to a community, we recognize that there is a need to provide service to the entire service area particularly that near to the community of assignment. We, therefore, should also like current information about the population in the South County area.

5. In view of the foregoing, pursuant to authority found in sections 4(i), 5(d)(1), 303(g) and (r), and 307(b) of the Communications Act of 1934, as amended, and Section 0.281(b)(6) of the Commission's Rules and Regulations, it is proposed to amend § 73.202(b) of the Commission's rules and regulations, the FM Table of Assignments, as concerns Gilroy, California as follows:

City	Channel No.	
	Present	Proposed
Gilroy, Calif.	232A	233

6. *Showings required.* Comments are invited on the proposal discussed above. Petitioner is expected to answer whatever issues are raised in this Notice. Failure to do so may result in denial of the petition.

7. *Cut-off procedures.* The following procedures will govern the consideration of filings in this proceeding:

(a) Counterproposals advanced in this proceeding itself will be considered, if advanced in initial comments, so that parties may comment on them in reply comments. They will not be considered if advanced in reply comments.

(b) With respect to petitions for rule making which conflict with the proposal in this Notice, they will be considered as comments in the proceeding, and Public Notice to this effect will be given, as long as they are filed before the date for filing initial comments herein. If filed later than that, they will not be considered in connection with the decision in this docket.

8. Pursuant to applicable procedures set out in Section 1.415 of the Commission's Rules and Regulations, interested parties may file comments on or before May 6, 1974, and reply comments on or before May 16, 1974. All submissions by parties to this proceeding or persons acting on behalf of such parties must be made in written comments, reply comments, or other appropriate pleadings.

9. In accordance with the provisions of § 1.419 of the Commission's Rules and Regulations, an original and fourteen copies of all comments, reply comments, pleadings, briefs, or other documents shall be furnished the Commission.

10. All filings made in this proceeding will be available for examination by interested parties during business hours in the Commission's Public Reference Room at its Headquarters, 1919 M Street, NW., Washington, D.C.

Adopted: March 22, 1974.

Released: April 4, 1974.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] WALLACE E. JOHNSON,
Chief, Broadcast Bureau.

[FR Doc.74-8099 Filed 4-8-74;8:45 am]

[47 CFR Part 76]

[Docket No. 19988; FCC 74-315]

CABLE TV SYSTEMS

Program Orientation

Amendment of Part 76, Subpart G, of the Commission's rules and regulations relative to program origination by cable television systems; and inquiry into the development of cablecasting services to formulate regulatory policy and rule making.

1. Notice is hereby given of proposed rule making and of inquiry in the above-entitled matter concerning the mandatory origination requirement of § 76.201 of our Rules and Regulations. Persons interested in commenting on the matters discussed herein are referred to the Commission's First Report and Order in Docket No. 18397 (20 FCC 2d 201, 34 FR

[3] At Watsonville, located in Santa Cruz County, population 123,790, Class IV AM Station KOMY is in operation. At Hollister in San Benito County, population 18,226, daytime AM Station KMPG is in operation, and Channel 228A is assigned to the community.

[4] This channel became available for assignment at Gilroy when deleted at Fresno because of interference problems; see 35 F.C.C. 2d 603 (1972).

17651, released October 27, 1969) for discussion of certain of the policies and of the background pertaining to this notice. See also Reconsideration of the First Report and Order (23 FCC 2d 825).

2. The Commission first proposed required cable origination channels in its Notice of Proposed Rule Making and Notice of Inquiry issued December 13, 1968, (15 FCC 2d 417, 33 Fed. Reg. 19028) Docket No. 18397. In the First Report and Order in Docket No. 18397, *supra*, the Commission adopted mandatory origination rules designed to become effective January 1, 1971. The rules applied to all systems having 3,500 or more subscribers. No systems were grandfathered. Requirements were imposed similar to those of sections 315 and 317 of the Communications Act with respect to equal opportunities for political candidates, fairness in the treatment of controversial issues of public importance, and sponsorship identification provisions were made applicable to cablecasting. The rules also authorized advertising on cablecasts.

3. In discussing our action (Paragraphs 19 and 20), we stated that we felt mandatory origination would stimulate origination by systems which would not otherwise do so, and thus create more local programming. Further, we felt that the origination requirement would help to ensure that technical equipment and facilities would be available for use by others wishing to originate on leased channels. We noted that small communities might derive the greatest benefit from local origination but acknowledged the prohibitive costs which might be associated with such a requirement. The financial information supplied by the responses to the Notice indicated that a basic monochrome system for cablecasting could be obtained and operated for an approximate annual cost of $21,000 and a color system for about $56,000. The financial information was highly speculative, however, and we acknowledged that information was lacking and that our decision on the 3,500 figure was somewhat tentative (Para. 20).

4. In discussing the parameters of the cablecasting requirement, we made clear that automated services (time, weather scan—news teletype) were not considered local origination for purposes of the new rule. We said the operator must * * * "operate to a significant extent as a local outlet by originating * * *," and added that this requirement would in essence necessitate that the CATV operator have some kind of video cablecasting system for the production of local, live and delayed programming.

5. On July 1, 1970, we released our Reconsideration of the First Report and Order, supra. We therein noted that some parties argued that the uncertainties inherent in the origination rules, as to cost, impact, possible changes in the rules, copyright ambiguities, and state public utility regulations were grounds for not making the rules mandatory. There was no argument that our stated policy of promoting multi-purpose CATV operation combining the carriage of broadcast signals, program origination, and common carrier (access) services was not in the public interest. Rather, it was urged that mandatory origination would not further that goal. We there rejected such argument, saying there was no evidence that systems of over 3,500 subscribers could not cablecast without impairing their financial stability, raising rates, or reducing the quality of service. We did, however, on our own motion, postpone the effective date of the rules to April 1, 1971. (In our Reconsideration, we also added rules against pay-cable siphoning, lotteries, and the monopolization of origination equipment that would prevent the operator from producing local programming.)

6. On July 28, 1970, Midwest Video Corporation filed with the United States Court of Appeals for the Eighth Circuit a petition for review of the mandatory origination rules. On December 15, 1970, Midwest filed with the Commission a "Motion for Stay" of the rules. Midwest argued before the Court that the Commission lacked jurisdiction to require origination. It stated to the Commission that a stay should be granted to avoid irreparable injury should it have to go to the expense of securing origination equipment only to then prevail in Court.

7. We denied Midwest's requested stay but, in light of new showings by the National and California Cable Television Associations regarding the potentially damaging costs of origination for systems of less than 10,000 (ultimate) subscribers, instituted waiver procedures for such systems. We stated: "* * * we see no public benefit in risking injury to CATV systems in providing local origination. Accordingly, if CATV operators with fewer than 10,000 subscribers request ad hoc waiver of (the rules), they will not be required to originate pending action on their waiver requests." Systems with more than 10,000 subscribers could also request waivers but they would not be excused from compliance until the waiver was granted. (27 FCC 2d 778).

8. On May 13, 1971, the United States Court of Appeals for the Eighth Circuit held in Midwest Video v. U.S., 441 F. 2d 1322, that the Commission lacked authority to impose the program origination rule on existing cable television operators. The Court said that the scope of regulatory power defined by the Supreme Court in U.S. v. Southwestern Cable Co., 392 U.S. 157, did not extend to requiring a cable operator to engage in an entirely new business, one which would be costly, and in many cases, outside the expertise of the operator.

9. The Commission subsequently announced by public notice (FCC 71-577) the suspension of the mandatory origination rules "* * * pending the outcome of further judicial review * * *." By that date approximately 200 waivers of the rules had already been requested and about 70 time extensions had been granted. The waiver petitions were dismissed as moot because of the suspension of the rule.

10. The Supreme Court, in U.S. v. Midwest Video Corp., 406 U.S. 649 (June 7, 1972), reversed the Eighth Circuit opinion. The Court stated that the rule is within the Commission's statutory authority to regulate CATV at least to the extent "reasonably ancillary to the effective performance of the Commission's various responsibilities for the regulation of television broadcasting." Four justices joined in the Court decision with the Chief Justice concurring. Four justices dissented. Despite the Court's action affirming our authority to require originations, we have not chosen to terminate the stay (see 39 FCC 2d 377, at footnote 2).

11. The reason we have not terminated our stay order is the same as that which prompted the instant rule making proceeding—i.e., we question whether our requirement of mandatory origination for all systems with over 3,500 subscribers is of continuing validity in light of experience and events since the promulgation of the rule. Our original requirement for mandatory origination was made in October of 1969 at a time when the cable television industry as a whole had had little experience with locally originated programming. Our action then was, of necessity, based upon certain assumptions concerning the economic aspects of local originations and accompanied by optimistic hopes for its future.

12. One very important area where the intervening time period has reflected changed conditions is that of the practical experience of the cable industry obtained from now having engaged in sustained local origination. According to recent estimates, some 800 systems currently engage in nonautomated program originations. We are informed, both formally and informally, that this practical work experience has demonstrated a marked, upward trend in origination costs from those upon which our earlier action was predicted. These costs relate to all aspects of origination—equipment costs, replacement parts, extensive repair and maintenance costs. For example, it appears that our original estimates of equipment costs were low. Recent estimates for a small monochrome facility run from $25,000 to $40,000 and for full color facilities from $60,000 to $200,000 excluding operating expenses, which also are significantly on the increase. (Cable Television Information Center Document "The Uses of Cable Communication" (1973).) Moreover, it appears that actual experience in local originations by and large has not shown the hoped-for audience and advertiser support. Admittedly, audience data figures in this area are lacking but there are serious complaints from within the cable television industry that despite local commitment in terms of programming creativity and accompanying expenditures, it still is taking an extended period to attract viewers and advertisers to local community programming. We would like to point out, however, that in spite of these adverse conditions, we are aware of the admirable programming accomplishments of cer-

tain cable systems, large and small, throughout the country. Examples of such programming are summarized in the 1973 "NCTA Cablecasting Guide."

13. Perhaps an even more significant development in the interim period has been the adoption of the Commission's "access" rules § 76.251 et seq.) in our February 1972, Cable Television Report and Order. The addition of public, educational, and governmental access channels and ancillary equipment may well have a significant bearing upon whether it should remain necessary to require the cable system to originate local programming. With the "access" interests originating "local" programming on three separate channels, and with the additional possibility that users of leased channels might also originate certain "local" programming, our goal of localism in cable originations might best be met through these channels rather than through the mandatory origination channel.

14. Lastly, equitable considerations have been raised as to whether it is appropriate for us—albeit acknowledging our right to do so—to force a cable system into local program origination. For example, the dissenting opinion in the Supreme Court Midwest decision, supra, objected to the concept of a cable system operator being "drafted against his will to become a broadcaster * * *." This argument is particularly appropriate with respect to older, classic "reception service" cable systems which often show little interest in originations and whose end product often reflects such reluctance. Conversely, the emerging, major market cable systems undoubtedly would voluntarily enter originations because their very existence often will depend upon their ability to deliver new programming to subscribers.

15. It is important to note that nothing herein should be inferred as a lessening of our desire to foster local cable originations and to have available origination equipment with which to do so. On the contrary, after several years of practical experience, we reaffirm these goals. Our objective in this rule making is simply to question the means of achieving such goals. We intend by this Notice of Proposed Rule Making and of Inquiry to invite all interested parties to comment on a thorough review of the existing mandatory program origination requirements of § 76.201. During the pendency of this proceeding our origination rules, insofar as they concern the fairness doctrine, equal time, lotteries, advertising, etc. §§ 76.205–221, will remain in full force and effect. Moreover, we continue to adhere to our belief that local program origination requirements as well as local origination regulations inconsistent with Federal policy are preempted, 20 FCC 2d 201, 223 (1969).

16. In view of the foregoing, the Commission invites all interested parties to submit comment on or related to the following questions:

(1) Has the program origination requirement satisfied the purpose it was established for as stated in the First Report and Order in Docket 18397?

(2) Should the requirement be amended, modified, eliminated or altered in any way?

(3) Should the triggering factor for the rule be raised to 5,000 subscribers? 10,000?

(4) Are there any other formulae that could equitably be developed to trigger an origination requirement if one is considered valuable?

(5) Should the present rule or a modified one include a grandfather provision for systems in operation prior to the initial development of the rule?

(6) Should compliance with the Commission's access rules be considered a complete or partial substitute for the origination requirement regardless of system size?

(7) Should regulatory emphasis be placed on access channels and allow origination to develop on a purely voluntary basis?

(8) What has the industry experience been in the field of local origination vis-a-vis costs of equipment, maintenance and repair, and manpower expenses?

(9) What has the industry experience been in the areas of audience and advertising revenues to support locally originated programming?

(10 In the event mandatory originations are deleted, should larger cable operators nevertheless be required to make available equipment for third parties, access users as well as leased channel users?

17. Authority for the rule making proposed herein is contained in sections 4(i), 303, and 403 of the Communications Act of 1934, as amended. All interested parties are invited to file written comments on this rule making proposal on or before May 14, 1974, and reply comments on or before May 23, 1974. In reaching a decision in this matter, the Commission may take into account any other relevant information before it, in addition to the comments invited by this notice.

18. In accordance with the provisions of § 1.419 of the Commission's rules and regulations, an original and 14 copies of all comments, replies, pleadings, briefs, or other documents filed in this proceeding shall be furnished to the Commission. Responses will be available for public inspection during regular business hours in the Commission Public Reference Room at its Headquarters in Washington, D.C.

Adopted: March 28, 1974.

Released: April 3, 1974.

FEDERAL COMMUNICATIONS COMMISSION,
VINCENT J. MULLINS,
Secretary.

[FR Doc.74-8098 Filed 4-8-74;8:45 am]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1048]

[No. MC-C-3 (Sub-No. 4)]

CHICAGO, ILL., COMMERCIAL ZONE

Port of Indiana

APRIL 9, 1974.

Joint Petitioners:

Indiana Port Commission; State of Indiana; Bethleham Steel Corporation; National Steel Corporation (Midwest Steel Division); Continental Can Company, Inc.; and Tri-State Terminals, Inc.

Petitioners' respective representatives:

Richard L. Huff, Deputy Attorney General, State of Indiana, Indianapolis, Indiana 46204. (representing both the Indiana Port Commission and the State of Indiana).

Paul V. Miller, Bethleham, Pa. 18016.

Eugene T. Liipfert, Suite 1100, 1660 L Street, N.W., Washington, D.C. 20036.

Richard L. Dwyer, 150 South Wacker Drive, Chicago, Ill. 60606.

Thomas G. Woodall, 6400 Goldsboro Road, Washington, D.C. 20034.

By joint petition filed March 5, 1974, the above-named petitioners request that the Commission institute a rule-making proceeding for the purpose of redefining the limits of the Chicago, Ill., commercial zone, which were most recently defined on March 1, 1972, in Chicago, Ill., Commercial Zone, 115 M.C.C. 71 (49 CFR 1048.2), so as to extend the partial exemption under section 203(b)(8) of the Interstate Commerce Act to include the Portage-Burns Harbor area described as follows: "Beginning at a point where the boundary of the Gary city limits intersects with U.S. Highway 12, thence east along U.S. Highway 12 to the eastern boundary of the property of Northern Indiana Public Service Company, which is also a boundary of the eastern section of Indiana Dunes National Lakeshore Park, thence north and west along said property line to its intersection with the south shore of Lake Michigan, thence west along the south shore of Lake Michigan to the Gary city limits."

Petitioner is directed to submit a detailed street map of the areas proposed for inclusion within the proposed commercial zone. The proposed action is not expected to significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. No oral hearing is contemplated at this time, but anyone wishing to make representations in favor, or against the relief sought in the petition may do so by the submission of written data, views or arguments. An original and seven copies of such data, views, or arguments shall be filed with the Commission on or before May 27, 1974. A copy of each representation should be served upon petitioners' representatives. Written material or suggestions submitted will be available

for public inspection at the Offices of The Interstate Commerce Commission, 12th and Constitution, Washington, D.C., during regular business hours.

Notice to the general public of the matter herein under consideration will be given by depositing a copy of this notice in the Office of the Secretary of the Commission for public inspection and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission.

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

[FR Doc.74-8137 Filed 4-8-74;8:45 am]

[49 CFR Part 1048]

[No. MC-C-258 (Sub-No. 4)]

KANSAS CITY, MO.—KANSAS CITY, KANS., COMMERCIAL ZONE

Johnson County Industrial Airport

APRIL 9, 1974.

Petitioners: The Board of County Commissioners of Johnson County, Kansas, and the Johnson County Airport Commission.

Petitioners' Attorney: Robert C. Londerholm, Hackler, Londerholm, Speer, Vader & Austin, P.O. Box 1, Olathe, Kans.

By joint petition filed March 7, 1973, the above-named petitioners request that the Commission institute a rule-making proceeding for the purpose of redefining the limits of the Kansas City, Mo.-Kansas City, Kans., commercial zone, which were most recently defined on June 1, 1973, in Kansas City, Mo.-Kansas City, Kans., Commercial Zone, 118 M.C.C. 462 (49 CFR 1048.8), so as to extend the partial exemption under section 203(b)(8) of the Interstate Commerce Act to include the former Olathe Naval Air Station, now owned and operated by Johnson County and the Airport Commission, and known as the Johnson County Industrial Airport.

Petitioners seek amendment of 49 CFR 1048.8 so that the pertinent portion will read as follows: "* * * thence west and north along said corporate boundary to its intersection with U.S. Highway 56, thence southwest along U.S. Highway 56 to its junction with 159th Street, thence west along 159th Street to its junction with the Johnson County Industrial Airport, thence south, west, north, and east along the boundaries of said airport to the point of beginning on 159th Street, thence east along 159th Street to its junction with U.S. Highway 56, thence northeast along U.S. Highway 56 to its junction with Parker Road, * * *"

Petitioner is directed to submit a detailed map of the areas proposed for inclusion within the proposed commercial zone. The proposed action is not expected to significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. No oral hearing is contemplated at this time, but anyone wishing to make representations in favor, or against the relief sought in the petition may do so by the submission of written data, views or arguments. An original and seven copies of such data, views, or arguments shall be filed with the Commission on or before May 27, 1974. A copy of each representation should be served upon petitioners' representative. Written material or suggestions submitted will be available for public inspection at the Offices of The Interstate Commerce Commission, 12th and Constitution, Washington, D.C., during regular business hours.

Notice to the general public of the matter herein under consideration will be given by depositing a copy of this notice in the Office of the Secretary of the Commission for public inspection and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission.

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

[FR Doc.74-8136 Filed 4-8-74;8:45 am]

[49 CFR Parts 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210]

[No. 35949]

UNIFORM SYSTEM OF ACCOUNTS

Equity Method of Accounting for Certain Long-Term Investments in Common Stocks

At a session of the Interstate Commerce Commission held at its office in Washington, D.C., on the 15th day of February, 1974.

This proceeding is being instituted on our own motion to consider revisions to the uniform systems of accounts for all modes of transportation under the jurisdiction of this Commission. These proposed revisions relate to accounting for investments in common stock under the equity method where the ownership interest by the investor company in an investee represents 20 percent or more of the latter's outstanding stock.

Our present accounting systems require the "cost" method of accounting for investments in common stock. Under the "cost" method, the investment is initially recorded at cost, and this cost is not affected by the operating results of investee companies. Consequently, original cost remains as the value of the investment, and income is recognized by the investor only as dividends are received. However, dividends do not necessarily bear any relationship to the net income earned by the investee.

The "equity" method represents the modern approach of accounting for investments. Under "equity" the investment account is increased (or decreased) to reflect the investor's proportionate share of an investee's current earnings (or losses) regardless of whether earnings are paid out as dividends. Dividends, when received, are considered a return of investment and reduce the carrying value of the investment since the investee's equity is reduced by declaring dividends. In essence then, the "equity" method provides current recognition of the operations of an investee company, and accounts for such as though the investee were an integral part of the investor.

To implement the principles of equity accounting for long-term investments in common stocks, the following major revisions to the accounting systems are necessary:

1. An instruction explaining the equity method and its applicability is added. The rules will follow generally accepted accounting principles in that the equity method will apply to investments in voting stock giving the investor the ability to significantly influence the operating and financial policies of the investee.

2. The principles of equity accounting will also apply to corporate joint ventures.

3. The investment account is modified and contains a provision requiring that certain information be retained for all investments accounted for under the equity method to include original cost, equity in net assets at date of acquisition, unamortized goodwill, equity in undistributed earnings since acquisition, and dividends received.

4. An income account is added for undistributed earnings and losses to appear in the income statement under the Category "other income."

In addition, certain schedules in the annual reports will be changed. Sample schedules containing significant revisions are attached.

We believe the adoption of the equity method will result in improved financial reporting because of the current recognition of income (loss) of the investee, and the corresponding adjustment of the investment tends to provide a more realistic valuation than original cost. Furthermore, the adoption of this proposal would serve to align the Commission's accounting rules for financial reporting purposes with generally accepted accounting principles without compromising regulatory responsibilities since the integrity of financial data now generated will be preserved.

It is intended that the proposed revisions to the accounting regulations become effective immediately upon adoption by the Commission and would be reflected in the books of accounts for the year beginning January 1, 1974.

Upon consideration of the above described matters and good cause appearing therefor:

It is ordered, That a proceeding be, and it is hereby, instituted under the authority of sections 20, 204, 313 and 412 of the Interstate Commerce Act and pursuant to section 553 of the Administrative Procedure Act with a view to adopting the proposed regulations set forth below, for the purpose of making such other and further action as the facts and circumstances may justify and require.

It is further ordered, That all carriers subject to the Interstate Commerce Act be, and they are hereby, made respondents in this proceeding.

It is further ordered, That no oral hearing be scheduled for the receiving of testimony in this proceeding unless a need therefor should later appear, but that respondents or any other interested parties may participate in this proceeding by submitting for consideration written statements of fact, views, and arguments on the subjects mentioned above, or any other subjects pertaining to this proceeding.

It is further ordered, That any interested persons wishing to submit written statements of fact, views, or arguments shall file an original (and, if possible, 15 copies) of such representations with the Secretary, Interstate Commerce Commission, Washington, D.C. 20423, by April 30, 1974; and that all such statements will be considered as evidence and as a part of the record in this proceeding.

It is further ordered, That written material or suggestions submitted shall be made available for public inspection at the offices of the Interstate Commerce Commission, 12th and Constitution Avenue, NW., Washington, D.C., during regular business hours.

And it is further ordered, That statutory notice of the institution of this proceeding be given to all respondents and to the general public by mailing a copy of this order to the Governor of every State and to the Public Utilities Commissions or Boards of each State having jurisdiction over the transportation, by posting a copy of this order in the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., for public inspection, and by delivering a copy thereof to the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER as notice to all interested persons.

This decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES AND

1. Schedules and should indicate the elements of each investment held by the respondent at the close of the year (see item 2 below). All columns on the schedule should be completed in accordance with the specific instructions provided at the top of the particular schedule. See the text of account , "Investments in Affiliated Companies" and account , "Other Investments" for clarification on the types of investments to be included in those accounts and on the applicable schedules. These schedules should exclude securities issued or assumed by the responent.

2. All investments on each schedule should be segregated by class as:

(1) Carriers------active
(2) Carriers------inactive
(3) Non-carriers--active
(4) Non-carriers--inactive

3. Under each of the classes indicate the investee company showing thereunder the elements of each investment in the following order:

(a) Stocks
(b) Bonds (Including U.S. Government Bonds)
(c) Other secured obligations
(d) Unsecured notes
(e) Investment advances

4. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

INVESTMENTS IN AFFILIATED COMPANIES

1. Report below the details of all investments included in Account "Investments in Affiliated Companies" observing the instructions hereunder and the general instructions on page

2. Column (b) and column (c) should be completed by using numbers and letters indicated in the general instructions.

3. Complete column (d) observing general instructions 2 and 3. Below each investment name all obligations for which investment is pledged, mortgaged, or otherwise encumbered. Also show maturity dates of bonds and other indebtedness. Obligations of the same type maturing serially may be shown as "serially 19_ to 19_." Abbreviations in common use in standard financial publications may be used if necessary. Give names and other pertinent data related to the aforementioned boligations in footnotes.

4. Indicate in column (e) the ownership percentages of voting securities held by the respondent in the affiliated company.

5. In column (f) for each investment element as described in item 3 of the general instructions indicate the prior years closing balance.

6. Enter in column (g) the cost, applicable to the acquisition of an investment during the year.

Line no.	Account no.	Class	Industry	DESCRIPTION	Extent of Control	Balance Beginning of Year	Additions	Investments sold during year
	(a)	(b)	(c)*	(d)	(e)	(f)	(g)	(h)

*Not applicable for all modes

SAMPLE

INVESTMENTS IN AFFILIATED COMPANIES

7. In column (h) enter the amount applicable to the elements of investment disposed of during the year. In column (i) enter the sales price paid by a purchaser for each investment disposed of in the reporting year.

8. In column (j) enter the respondent'sshare of earnings (losses) of each affiliated company or corporate joint venture for the reporting year. The amount entered should reflect the amortization (current) of the excess of cost of the investment over the equity in the net assets originally acquired.

9. In column (k) enter as a credit the amount of dividends received or declared by the affiliated company or corporate joint venture applicable to the capital stock owned.

10. In column (l) enter all increases or decreases in bonds, other secured obligations, unsecured notes, and investment advances. Also enter any direct write down of the investment in the affiliated company resulting from permanent impairment.

11. In column (m) enter the closing balance at the end of the year for each investment element.

12. In column (n) enter the original cost applicable to each investment element (e.g. Stocks, Bonds, e.t.c.).

13. In column (o) enter any interest applicable to an investment element (e.g. Bonds, unsecured notes, e.t.c.).

Sales Price (memo)	Equity in Earnings (Losses) of Investee	Dividends	Adjustments	Balance End of Year	Original Cost	Interest Income	Line no.
(i)	(j)	(k)	(l)	(m)	(n)	(o)	
			SAMPLE				

OTHER INVESTMENTS

1. Report below the details of all investments included in Account "Other Investments" observing the instructions on page

2. Column (b) and column (c) should be completed by using numbers and letters indicated in the general instructions.

3. Complete column (d) below by observing the instructions in item 2 and 3 of the general instructions. Below each investment name show all obligations for which security is pledged, mortgaged, or otherwise encumbered. Show maturity dates of bonds, and other indebtedness. Obligations of the same type maturing serially may be shown as "serially 19_ to 19_." Abbreviations in common use in standard financial publications may be used it necessary . Give names and other pertinent data relative to the aforementioned obligations in the footnotes.

4. In column (e) indicate the prior years closing balances for each investment element described in item 3 of the general instructions.

5. In column (f) enter the cost applicable to the disposition of any investment element during the year.

6. In column (g) enter the cost applicable to the disposition of any investment element during the year.

7. In column (h) enter the selling price paid by a purchaser of any investment element disposed of during the reporting year.

8. In column (i) enter any direct write down of an investment resulting from permanent impairment.

9. In column (j) indicate for each investment element the closing balance for the recording year.

10. In column (k) indicate the dividends and interest declared and/or received applicable to the investment in the recording year.

Line no.	Account no.	Class	Industry	DESCRIPTION	Balance Beginning of Year	Additions	Disposals (cost)	Selling Price (memo)	Adjustments	Balance End of Year	Interest or Dividend
	(a)	(b)	(c) *	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
				*Not applicable to all modes.							

300. UNAPPROPRIATED RETAINED INCOME STATEMENT

1. Show hereunder the items of the Retained Income Accounts of the respondent for the year classified in accordance with the Uniform System of Accounts for
2. Segregate in column (c) all amounts applicable to the equity in earnings (losses) of affiliated companies accounted for on the equity method of accounting.
3. All contra entries hereunder should be indicated in parentheses.
4. Include in column (b) only amounts applicable to Retained Income exclusive of any amounts included in column (c).

Line No.	Item (a)	Amount (b)	Amount (c)
1	Unappropriated retained income (b) and equity in earnings (losses) of affiliated companies (c) at beginning of year		
2	CREDITS		
3	Net balance transferred from income		
4	Other credits to retained income-*		
5	Total		
6	DEBITS		
7	Net balance transferred from income		
8	Other debits to retained income-*		
9	Appropriations of retained income		
10	Dividend appropriations of retained income		
11	TOTAL		
12	Net increase (or decrease) during year		
13	Unappropriated retained income (b) and equity in earnings (losses) of affiliated companies (c) at end of year		
14	Balance from line 13(c)		XXXXXXXXXX
15	TOTAL Unappropriated retained income and equity in earnings (losses) of affiliated comapnies at end of year		XXXXXXXXXX
16	-*Note: Amount of assigned Federal income tax consequences:		
17	Account		XXXXXXXXXX
18	Account		XXXXXXXXXX

PART 1201—UNIFORM SYSTEM OF ACCOUNTS FOR RAILROAD COMPANIES

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "Income Accounts", after line item "519 Miscellaneous income":

520 Income from affiliated companies.

REGULATIONS PRESCRIBED

Under "(ii) *Definitions*", after the text of definition 20 "Service value" add the following new definitions:

22. (a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

INSTRUCTIONS FOR INCOME AND BALANCE SHEET ACCOUNTS

The text of instruction "6–2 *Recorded value of securities owned*" is revised to read:

6–2 *Recorded value of securities owned.* (a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost. Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition 22(c)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor company's equity in net assets of the affiliated company shall be amortized to account 520, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 520, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 1–2(d).

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholder's equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differ from that of the accounting company then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting company shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting company's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting company shall be adjusted retroactively (see instruction 1–2(d)). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in vales; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 723, "Reserve for adjustment of investments in securities". Losses attributable to write downs or write offs shall be charged to account 551, "Miscellaneous income charges" or to account 570, "Extraordinary items," as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e., when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

The text of account "513 Dividend income," paragraph (a), is revised to read:

513 Dividend income.

(a) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 6–2), the income from which is the property of the ac-

counting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are otherwise controlled through a lease or otherwise.

* * * * *

After the text of account "519 Miscellaneous income" the following new account number, title and text are added:

520 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 6–2).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 6–2(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 721, "Investment in affiliated companies".

The text of account "570 Extraordinary items (net)", paragraph (a) is amended by adding the following after the list of items to be included in this account:

(a) * * *

The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 6–2(c)(3)).

* * * * *

The text of account "580 Prior period items (net)," paragraph (a), is amended by adding the following after the list of items to be included in this account:

(a) * * *

The accounting company's share of prior period adjustments from an affiliated company (see instruction 6–2(c)(3)).

* * * * *

Section "599 Form of income statement" is revised by adding the following line item after line item "519, Miscellaneous income":

520 Income from affiliated companies ----------

GENERAL BALANCE SHEET ACCOUNTS

The text of account "721 Investments in affiliated companies," paragraphs (a) and (b), is revised to read:

721 Investments in Affiliated Companies.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 6–2, "Recorded value of securities owned," other than securities held in special funds or special deposits. All such investments shall be accounted for in accordance with the provisions set out in instruction 6–2.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable).

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iiii) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

* * * * *

PART 1202—UNIFORM SYSTEM OF ACCOUNTS FOR ELECTRIC RAILWAYS

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "Income Accounts", directly below line item "212 Miscellaneous income" add the following:

212–5 Income from affiliated companies.

Under "General Balance Sheet", the following amendments are made:

Line item "05–7 Form of general balance sheet statements" is redesignated as line item 05–8 to read:

05–8 Form of general balance sheet statements.

After line item "05–6 Surplus" the following added:

05–7 Recorded value of securities owned.

Section "00–2 Definitions" is amended by adding the following new definitions:

"Investor means a business entity that holds an investment in voting stock of another company.

"Investee" means a corporation that issued voting stock held by an investor.

"Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

"Dividends," unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

"Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

INCOME INSTRUCTIONS

Instruction "03–6 Form of income statement" is amended by adding the following after line item "212 Miscellaneous income":

212–5 Income from affiliated companies.

INCOME

The text of account "206 Dividend income" is revised to read:

206 Dividend income.

This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 05–7), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise. Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

NOTE A: * * *

After the text of account "212 Miscellaneous income" the following new account number, title and text are added:

212–5 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 05–7).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 05–7(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 405, "Investment in affiliated companies".

The text of account "270 Extraordinary items (net)", paragraph (a), is amended by adding the following to the list of items to be included in this account:

(a) * * *

The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 05–7(c)(3)).

* * * * *

The text of account "280 Prior period items (net)", paragraph (a), is amended by adding the following to the list of items to be included in this account:

(a) * * *

The accounting company's share of prior period adjustments from an affiliated company (see instruction 05–7(c)(3)).

* * * * *

GENERAL BALANCE SHEET

The number of instruction "05–7 Form of general balance sheet statements" is redesignated as instruction "05–8" to read:

05–8 Form of general balance sheet statements.

* * * * *

After the text of instruction "05–6 Surplus" the following new instruction number, title and text are added:

05–7 Recorded value of securities owned.

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost. Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to

significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor company's equity in net assets of the affiliated company shall be amortized to account 212–5, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 212–5, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 01–6.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the accounting company then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting company shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting company's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting company shall be adjusted retroactively (see instruction 01–6). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 406–1, "Reserve for adjustment of investments in securities". Losses attributable to write downs or write offs shall be charged to account 225, "Miscellaneous debits," or to account 270, "Extraordinary items," as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e. when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

Redesignated instruction "05–8 Form of general balance sheet statements", line item "405 Investments in affiliated companies", is revised to read:

405 Investments in affiliated companies:
(a) Common stocks.
(b) Preferred stocks.
(c) Bonds.
(d) Other secured obligations.
(e) Unsecured notes.
(f) Investment advances.

GENERAL BALANCE SHEET ACCOUNTS

The text of account "405 Investments in affiliated companies" is revised to read:

405 Investments in affiliated companies.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 05–7, "Recorded value of securities owned," other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 05–7.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate point ventures).

(a) Common stock at cost and (if applicable)

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iv) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

(c) The accounting company's records shall be kept in such a manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans and the ledger value of securities unpledged shall be shown separately in the annual report to the Commission.

NOTE A: * * *

* * * * *

PART 1203—UNIFORM SYSTEM OF ACCOUNTS FOR EXPRESS COMPANIES

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "Income Accounts", after line item "641 Miscellaneous Income" add the following line items:

650 Income from affiliated companies.
651 Income from affiliated companies.

DEFINITIONS

Under "(i) Definitions" add the following new definitions after the text of definition 40 "Used":

42. (a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refers to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

GENERAL INSTRUCTIONS

Instruction "1–2 Accounting scope", paragraph (d), is amended by adding line items "650 Income from affiliated companies" and "651 Income from affiliated companies" in the proper sequence. As amended paragraph (d) reads:

(d) * * *
640 * * *
650 Income from affiliated companies.
* * *
641 * * *
651 Income from affiliated companies.

INSTRUCTIONS FOR BALANCE SHEET ACCOUNTS

The text of instruction "2–2 Investments—special funds" is revised to read:

2–2 Investments—special funds.

(a) This group of accounts shall include the cost of long-term investments in securities other than those of the accounting carrier, investment advances, sinking and other funds, cash value of life insurance policies, and other items of similar nature.

(b) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost.

Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20% gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(c) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition 42(c)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (d) below.

(d) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (c) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor company's equity in net assets of the affiliated company shall be amortized to account 650, Income from affiliated companies, over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 650, Income from affiliated companies, its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 1–1.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the accounting company then the most recent statement may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting company shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee when computing its share of earnings or losses.

(10) When the accounting company's voting stock interest falls below the level of ownership described in paragraph (c) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting company's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (c) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods), and retained earnings of the accounting company shall be adjusted retroactively (see instruction 1–1). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(e) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to secondary account 07 of primary account 131—Affiliate investments. Losses attributable to write downs or write offs shall be charged to account 731–08—Miscellaneous, sundry expenses, or to account 911—Extraordinary items (net), as appropriate.

(f) When securities with a fixed maturity date are purchased at a discount (i.e., when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e., when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

BALANCE SHEET ACCOUNT CLASSIFICATIONS

The text of account "131 Affiliate investments", paragraphs (a) and (b), is revised to read:

131 Affiliate investments.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of balance sheet instruction 2–2, other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 2–2.

(b) This account shall be subdivided as follows:

01 Common stocks.
02 Preferred stocks.
03 Bonds receivable.
04 Notes receivable.
05 Other investments.
06 Advances receivable.
07 Adjustments.

NOTE: Secondary account 01 Common stocks shall be maintained in such a manner as to show cost and if applicable:

(i) Equity in net assets at date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iv) Dividends received from date of acquisition.

* * * * *

INCOME ACCOUNTS

The text of account "632 Affiliate dividend income", paragraph (a), is revised to read:

632 Affiliate dividend income.

(a) This account shall include dividends declared on stocks of affiliated companies except for those affiliated companies accounted for under the equity method of accounting (see instruction 2–2), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise.

* * * * *

After the text of account "641 Miscellaneous income", the following new account numbers, titles and text are added:

650 Income from affiliated companies.

651 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 2–2).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 6–2(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 131-Affiliate investments.

The text of account "911 Extraordinary items (net)" is amended by adding the following after item (a)(5):

* * * * *

(5) * * *

(6) The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 2–2(c)(3)).

* * * * *

The text of account "921 Prior period items (net)" is amended by adding the following after item (a)(2):

* * * * *

(2) * * *

(3) The accounting company's share of prior period adjustments from an affiliated company (see instruction 2–2(c)(3)).

* * * * *

Section "999 Form of income statement" is amended by adding the following line item after line item "640 Other income":

650 Income from affiliated companies

PART 1204—UNIFORM SYSTEM OF ACCOUNTS FOR PIPELINE COMPANIES

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "Income Accounts", after line item "640 Miscellaneous income" add the following new item:

645 Income from affiliated companies.

DEFINITIONS

After definition 29 "Straight-line method", the following new definitions are added:

31. (a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

INSTRUCTIONS FOR BALANCE SHEET ACCOUNTS

Instruction "2–2 Investments and special funds" is revised to read:

2–2 Investments and special funds.

* * * * *

(a) * * *

(b) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be reported at cost and should not be stated in excess of cost.

Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20% gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(c) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition 31(c)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (d) below.

(d) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (c) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor company's equity in net assets of the affiliated company shall be amortized to account 645, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 645, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 1–6.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity account-

ing should be timely. If the accounting year of the investee differs from that of the accounting company then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting company shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company's voting stock interest falls below the level of ownership described in paragraph (c) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting company's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (c) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting company shall be adjusted retroactively (see instruction 1–6). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 23, "Reduction in security values". Losses attributable to write downs or write offs shall be charged to account 660, "Miscellaneous income charges" or to account 680, "Extraordinary items (net)," as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e. when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

BALANCE SHEET ACCOUNTS

The text of account "20 Investments in affiliated companies" is revised to read:

20 Investments in affiliated companies.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 2–2, "Investments and special funds", other than securities held in special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 2–2.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint venture companies).

(a) Common stock at cost and (if applicable) to show:

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iiii) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

INCOME ACCOUNTS

The text of account "630 Interest and dividend income" is amended by revising paragraph (b) to read:

630 Interest and dividend income.

* * * * *

(b) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 2–2), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise.

* * * * *

After the text of account "640 Miscellaneous income" the following new account number, title and text are added:

645 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 2–2).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 2–2(d)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 20, "Investment in affiliated companies".

The text of account "680 Extraordinary items (net)" is amended by adding item (5) to paragraph (a) to read:

(a) * * *

(5) The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 2–2(d)(3)).

* * * * *

The text of account "690 Prior period items (net)" is amended by adding item (4) to paragraph (a) to read:

(a) * * *

(4) The accounting company's share of prior period adjustments from an affiliated company (see instruction 2–2(d)(3)).

* * * * *

Section "798 Form of income statement" is amended by adding the following line item after line item "640 Miscellaneous income":

645 Income from affiliated companies.

PART 1205—UNIFORM SYSTEM OF ACCOUNTS FOR REFRIGERATOR CAR LINES

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "Income and Balance Sheet Accounts Instructions," line item 37, "Book value of securities owned" is revised to read:

37 Recorded value of securities owned

Under "Income Accounts Texts," after line item 519, "Miscellaneous income" add line item:

520 Income from affiliated companies

General Instructions

Instruction "2 Definitions" is amended by adding the following new definitions after the text of definition (y) "Value of salvage":

(aa)(1) "Investor" means a business entity that holds an investment in voting stock of another company.

(2) "Investee" means a corporation that issued voting stock held by an investor.

(3) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(4) "Dividends," unless otherwise specified means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(5) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

Income and Balance Sheet Accounts Instructions

The title and text of instruction 37, "Book value of securities owned" is revised to read:

37 Recorded value of securities owned.

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost. Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition (aa)(3)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor company's equity in net assets of the affiliated company shall be amortized to account 520, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 520, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 3.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the accounting company then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting company shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method." Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting company's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting company shall be adjusted retroactively (see instruction 3). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 723, "Reserve for adjustment of investments in securities -cr . . ." Losses attributable to write downs or write offs shall be charged to account 551, "Miscellaneous income charges" or to account 570, "Extraordinary items," as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e., when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

Income Accounts Texts

The text of account 513, "Dividend income" is revised to read:

513 Dividend income.

(a) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting, (see instruction 37), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise.

(b) Dividends declared shall not be credited prior to actual collection unless their payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 708, "Interest and dividends receivable.")

(c) Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

* * * * *

After the text of account 519, "Miscellaneous income" the following new account number, title and text are added:

520 **Income from affiliated companies.**

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 3).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 37(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 721, "Investment in affiliated companies".

The text of account 570, "Extraordinary items (net)" is amended by adding the following to paragraph (a):

(a) * * * The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 37(c)(3)).

* * * * *

The text of account 580, "Prior period items (net)" is amended by adding the following after paragraph (a)(3):

(a) * * *

(4) The accounting company's share of prior period adjustments from an affiliated company (see instruction 37(c)(3)).

* * * * *

Section 599, "Form of income statement" is amended by adding the following after line item 519, "Miscellaneous income":

520 Income from affiliated companies.

General Balance Sheet Accounts

The text of account 721, "Investments in affiliated companies" is revised to read:

721 **Investments in affiliated companies.**

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 37, "Recorded value of securities owned," other than securities held in special deposits and special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 37.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable)

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iiii) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

(c) A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

* * * * *

PART 1206—UNIFORM SYSTEM OF ACCOUNTS FOR COMMON AND CONTRACT MOTOR CARRIERS OF PASSENGERS

LIST OF DEFINITIONS, INSTRUCTIONS, AND ACCOUNTS

Under "Definitions", after line item "1–40 Used" add:

1–42 Terminology relative to equity accounting.

Under "Instructions" line item "2–15 Book cost of securities owned" is revised to read:

2–15 Recorded value of securities owned.

Under "Balance Sheet Accounts" after line item "1650 Other investments and advances" add:

1675 Reserve for adjustment of investments in securities.

Under "Income Accounts" after line item "6500 Other nonoperating income" add:

6600 Income from affiliated companies.

DEFINITIONS

After the text of definition "1–40 Used" add the following new definitions:

1–42 **Terminology relative to equity accounting.**

(a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

INSTRUCTIONS

The title and text of instruction "2–15 Book cost of securities owned" is revised to read:

2–15 **Recorded value of securities owned.**

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost. Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition 1–42(c)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor company's equity in net assets of the affiliated company shall be amortized to account 6600, Income from affiliated companies, over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 6600, Income from affiliated companies, its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 2–7.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investees that are used for equity account-

ing should be timely. If the accounting year of the investee differs from that of the accounting company then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting company shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting company's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting company shall be adjusted retroactively (see instruction 2–7). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 1675, Reserve for adjustment of investments in securities. Losses attributable to write downs or write offs shall be charged to account 7500, Miscellaneous income charges, or to account 9010, Extraordinary items (net), as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e. when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost including brokerage fees, taxes, commission, etc. is in excess of par), such premium may be amortized over the remaining life of securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

BALANCE SHEET ACCOUNTS

The text of account "1600 Investments and advances—Associated companies" is revised to read:

1600 Investments and advances—Associated companies.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 2–15, Recorded value of securities owned, other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 2–15.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable) to show

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iv) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

* * * * *

After the text of account "1650 Other investments and advances", the following new account number, title and text are added:

1675 Reserve for adjustment of investments in securities.

(a) This account shall be credited with amounts charged to account 7500, Other Deductions, or account 9010, Extraordinary Items, as appropriate, to provide a reserve for adjustments in the value of investment securities included in account 1600, Investments and Advances-Associated Companies, and account 1650, Other Investments and Advances, where there is a permanent impairment in the recorded values.

(b) If reserves are maintained for anticipated losses in specific securities, when such securities are disposed of, this account shall be charged to the extent of the credit balance applicable to the particular securities involved. The remainder, if any, shall be charged to account 7500, Other Deductions, or account 9010, Extraordinary Items, as appropriate.

(c) In case a general reserve for losses in unspecified security values is maintained, all such losses on disposition shall be charged to this account to the extent of the credit balance, and the remainder, if any, shall be charged to account 7500, Other Deductions, or account 9010, Extraordinary Items, as appropriate.

Section "2999 Form for balance sheet statement" is revised as follows:

* * * * *

1650 Other Investments and Advances:

* * * * *

Less: Reserve for Adjustment of Investments in Securities----------

* * * * *

INCOME ACCOUNTS

The text of account "6300 Dividend income" is amended by revising paragraph (a) to read:

Account 6300 Dividend income.

(a) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 2–15), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise.

* * * * *

After the text of accounts "6500 Other non-operating income" the following new account number, title and text are added:

6600 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 2–15).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 2–15(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20 percent or more of the voting common stock shall be credited to balance sheet account 1600, Investments and Advances—Associated Companies.

The text of account "9010 Extraordinary items (net)" is amended by adding the following to paragraph (a):

(a) * * * The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 2-15(c)(3)).

* * * * *

The text of account "9030 Prior period items (net)" is amended by adding the following to paragraph (a):

(a) * * * The accounting company's share of prior period adjustments from an affiliated company (see instruction 2-15(c)(3)).

* * * * *

Section "9999 Form of income statement" is amended by adding the following line item after line item "6500 Other Nonoperating Income":

6600 Income from Affiliated Companies ----------

PART 1207—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS I AND CLASS II COMMON AND CONTRACT MOTOR CARRIERS OF PROPERTY

LIST OF INSTRUCTIONS

Line item "18. Book cost of securities owned" is revised to read:

18. Recorded value of securities owned.

DEFINITIONS

After definition 38 "Used" the following are added:

40. (a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

CLASS I AND CLASS II MOTOR CARRIERS INSTRUCTIONS

The title and text of instruction "18. Book cost of securities owned" is revised to read:

18. Recorded value of securities owned.

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost. (See note.) Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20% gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition 40(c)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor carrier equity in net assets of the affiliated company shall be amortized to account 8430—Income from affiliated companies, over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 8430—Income from affiliated companies, its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 8.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated. Also, any profit or loss resulting from a transaction between the investor carrier's affiliated companies in which the investor carrier owns stock shall be eliminated until realized by the investor company or the affiliated companies as though they were all consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the accounting company then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor carrier should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting carrier has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting carrier shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting carrier's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting carrier shall be adjusted retroactively (see Instruction 8). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. A permanent impairment in the value of securities recorded in account 1410—Investments and advances—affiliated companies (class II), and in accounts 1411 through 1421, inclusive (class I), shall be reflected in account 1428—Adjustments—investments and advances, affiliated companies (classes I and II) with concurrent debits to account 8400—Other nonoperating income (net) (class II), and account 8429—Other (nonoperating deductions) (class I), or account 8800—Extraordinary items (see Instruction 8). An impairment in the value of securities recorded in account 1430—Other investments and advances (class II), and in accounts 1431 through 1441, inclusive (class I), shall be reflected in account 1448—Adjustments—other investments and advances (classes

I and II) with debits to account 8400—Other operating income (net) (class II), and account 8429—Other (nonoperating deductions) (class I). (See instruction 8.)

(e) When securities with a fixed maturity date are purchased at a discount (i.e., when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e., when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest revenue is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition including brokerage fees and registration fees, stock transfer taxes, and similar expenses at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

CLASS I AND CLASS II MOTOR CARRIERS

CHART OF ACCOUNTS

OTHER INCOME AND EXPENSES

Under the heading "Class II accounts", and line item "8400 Other Nonoperating Income (Net)" add:

8430 Income from Affiliated Companies.

Under the heading "Class I accounts", after line item "8429 Other" add:

8430 Income from Affiliated Companies.

CLASS I AND CLASS II MOTOR CARRIERS BALANCE SHEET ACCOUNT EXPLANATIONS

The text of account "1410—Investments and Advances—Affiliated Companies (Class II)" is revised to read:

1410—Investments and Advances—Affiliated Companies (class II).

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 18, "Recorded value of securities owned", other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 18.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable) to show:

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iiii) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

* * * * *

The text of account "1411—Common Stocks; Affiliated Companies (class I)" is revised to read:

1411—Common Stocks; Affiliated Companies (class I).

This account shall be debited or credited with amounts applicable to investments in common stock of affiliated companies in accordance with instruction 18 and maintained as set forth in account 1410.

CLASS I AND CLASS II MOTOR CARRIERS OTHER INCOME AND EXPENSE ACCOUNT EXPLANATIONS

The text of account "8220—Dividend income (classes I and II)" is amended by revising paragraph (a) to read:

8220 Dividend income (classes I and II).

(a) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 18), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise. Accruals of guaranteed dividends may be included in this account if the payment is reasonably assured.

(b) * * *

The text of account "8400—Other nonoperating income (net) (classes I and II)" is amended by revising Note A to read:

* * * * *

Note A: "Profits from the operation of others" does not include any dividends on stock. Income from dividends shall be credited to account 8220—Dividend income (classes I and II) or account 1410—Investments and advances—affiliated companies (class II) and account 1411—Common stocks; affiliated companies (class I), as appropriate (see instruction 18).

* * * * *

After the text of account "8429—Other (nonoperating deductions) (class I)" the following new account number, title and text are added:

8430 Income from affiliated companies (classes I and II).

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see Instruction 18).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see Instruction 18(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 1410—Investment and advances—affiliated companies (class II) and account 1411—Common stocks; affiliated companies (class I).

The text of account "8810—Extraordinary items (net) (class I)" is amended by adding item (6) to paragraph (a) to read:

(a) * * *

(6) The accounting carrier's share of extraordinary income or loss from an affiliated company (see instruction 18(c)(3)).

* * * * *

The text of account "8820—Prior period items (net) (class I)" is amended by adding the following to paragraph (a):

(a) * * * The accounting carrier's share of prior period adjustments from an affiliated company (see instruction 18(c)(3)).

* * * * *

PART 1208—UNIFORM SYSTEM OF ACCOUNTS FOR MARITIME CARRIERS

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "General Instructions" after line item "12 Accounting for the Investment Tax Credit," add:

13 Recorder value of securities owned.

Under "Income Accounts" after line item "695 Income from non-shipping operations" add:

697 Income from affiliated companies.

GENERAL INSTRUCTIONS

Instruction "1 Definitions" is amended by adding the following new definitions after the text of definition (i) "Shipping property":

(t) "Investor" means a business entity that holds an investment in voting stock of another company.

(u) "Investee" means a corporation that issued voting stock held by an investor.

(v) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(w) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(x) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee deter-

mined in accordance with generally accepted accounting principles.

After the text of instruction "11 Extraordinary and prior period items", the following new instruction number, title and text are added:

12 Recorded value of securities owned.

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost.

Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition (v)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor carrier's equity in net assets of the affiliated company shall be amortized to account 697, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor shall record in account 697, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 11.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the accounting carrier then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting carrier shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting carrier's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting carrier shall be adjusted retroactively (see Instruction 11). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 329, "Reserve for revaluation of investments". Losses attributable to write downs or write offs shall be charged to account 979, "Miscellaneous deductions from income" or to account 990, "Extraordinary items (net)," as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e. when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

BALANCE SHEET ACCOUNTS

The text of account "316 Securities of related companies" is revised to read:

316 Securities of related companies.

(a) This account shall include the investment in securities issued or assumed by related companies other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions of instruction 13.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable) to show:

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iiii) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other.

INCOME ACCOUNTS

The text of account "685 Dividend income" is revised to read:

685 Dividend income.

(a) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 13), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in

its treasury, or deposited in trust, or are controlled through a lease or otherwise.

* * * * *

After the text of account "695 Income from non-shipping operations" the following new account number, title and text are added:

697 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see Instruction 13).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see Instruction 13(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 697, "Investment in affiliated companies."

The text of account "990 Extraordinary items (net)" is amended by adding the following item to paragraph (a):

(a) * * *

The accounting carrier's share of extraordinary income or loss from an affiliated company (see instruction 13(c)(3)).

* * * * *

The text of account "994 Prior period items (net)" is amended by adding the following item to paragraph (a):

(a) * * * The accounting carrier's share of prior period adjustments from an affiliated company (see instruction 13(c)(3)).

* * * * *

APPENDIX

Section "2001 Income Statement" is amended by adding the following item after line item "691 Release of premium on long-term debt":

697 Income from affiliated companies.

PART 1209—UNIFORM SYSTEM OF ACCOUNTS FOR INLAND AND COASTAL WATERWAYS CARRIERS

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "Balance Sheet Instructions" line item "23 Book cost of securities owned" is changed to:

23 Recorded value of securities owned.

Under "Income Accounts" after line item "508 Profits from sale or disposition of property" add:

509 Income from affiliated companies.

General Instructions

Instruction "2 Definitions" is amended by adding the following new definitions after the text of definition (hh) "Value of salvage":

(ss) "Investor" means a business entity that holds an investment in voting stock of another company.

(tt) "Investee" means a corporation that issued voting stock held by an investor.

(uu) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(vv) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(ww) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

Balance Sheet Instructions

The title and text of instruction "23 Book cost of securities owned" is revised to read:

23 Recorded value of securities owned.

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost.

Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to significantly influence the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition (uu)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor carrier's equity in net assets of the affiliated company shall be amortized to account 509, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor shall record in account 509, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of instruction 4.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investees that are used for equity accounting should be timely. If the accounting years of the investees differ from that of the accounting carrier then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting carrier shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting carrier's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment, net income (current and prior periods) and retained earnings of the accounting carrier shall be adjusted retroactively (see instruction 4). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to

the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 132, "Reserve for revaluation of investments". Losses attributable to write downs or write offs shall be charged to account 527, "Miscellaneous income charges," or to account 570, "Extraordinary items (net)," as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e. when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in repect to discounts upon securites held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e. when the total cost includbrokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE: Cost for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

Balance Sheet Accounts

The text of account "130 Investments in affiliated companies" is revised to read:

130 Investments in affiliated companies.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of Instruction 23, "Recorded value of securities owned," other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions set out in Instruction 23.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable) to show.

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iiii) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

* * * * *

Income Accounts

The text of account "503 Dividend income" is revised by amending paragraph (a) to read:

503 Dividend income.

(a) This account shall include dividends declared on stocks of companies except for affiliated companies accounted for under the equity method of accounting, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury, or deposited in trust, or are controlled through a lease or otherwise.

* * * * *

After the text of account "508 Profits from sale or disposition of property," the following new account number, title and text are added:

509 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see Instruction 23).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee affiliate (see Instruction 23(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20 percent or more of the voting common stock shall be credited to balance sheet account 130, "Investment in affiliated companies".

The text of account "570 Extraordinary items (net)" is amended by adding the following to paragraph (a):

(a) * * * The accounting carrier's share of extraordinary income or loss from an affiliated company (see instruction 23(c)(3)).

* * * * *

The text of account "580 Prior period items (net)" is amended by adding the following to paragraph (a):

(a) * * * The accounting carrier's share of prior period adjustments from an affiliated company (see instruction 23(c)(3)).

* * * * *

Section "559 Form of income statement" is amended by adding the following after line item "508 Profits from sale or disposition of property":

509 Income from affiliated companies.

PART 1210—UNIFORM SYSTEM OF ACCOUNTS FOR FREIGHT FORWARDERS

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "General Balance Sheet Instructions", line item "28 Form of general balance sheet statement" is redesignated as line item "29 Form of general balance sheet statement".

Under "General Balance Sheet Instructions", after line "27 Contingent assets and liabilities" add:

28 Recorded value of securities owned.

Under "General Balance Sheet Accounts", after line item "131 Other investments" add:

132 Reserve for adjustment of investments in securities.

Under "Income Accounts" after line item "403 Miscellaneous income", add:

404 Income from affiliated companies.

General Instructions

Instruction "2 Definitions" is amended by adding the following after definition (n) "Premium":

(y) "Investor" means a business entity that holds an investment in voting stock of another company.

(z) "Investee" means a corporation that issued voting stock held by an investor.

(aa) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

(bb) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(cc) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

General Balance Sheet Instructions

Instruction "28 Form of general balance sheet statement" is redesignated as instruction "29 Form of general balance sheet statement".

After the text of instruction "27 Contingent assets and liabilities" the following new instruction number, title and text are added:

28 Recorded value of securities owned.

(a) Investments in the securities of any company other than those issued or assumed by the accounting company, where the investment does not represent 20 percent or more of the outstanding voting common stock of the company should be recorded at cost and should not be stated in excess of cost.

Exceptions to this rule may be approved by the Commission in special circumstances where an investment of less than 20 percent gives the accounting company power to significantly influence

the financial and policy making decisions of the investee.

(b) All investments in common stocks of affiliated companies where the investment represents 20 percent or more of the voting common stock of the company and all investments in corporate joint ventures (see definition (aa)) shall be accounted for according to the principles of equity accounting as prescribed in paragraph (c) below.

(c) The principles of equity accounting provide that the accounting company shall record all investments described in paragraph (b) above as follows:

(1) All investments when acquired shall be recorded in the appropriate account at cost. Any difference between the cost of the investment and the investor carrier's equity in net assets of the affiliated company shall be amortized to account 404, "Income from affiliated companies," over a reasonable period not to exceed 40 years.

(2) The investor company shall record in account 404, "Income from affiliated companies," its share of the affiliated company's profits or losses (see (3) below for extraordinary and prior period items) for each accounting period subsequent to acquisition of the investment except that in the year of acquisition such amount shall be determined from the date of acquisition. Dividends received shall be recorded by credit to the investment account.

(3) The accounting company shall record its share of extraordinary items and its share of prior period adjustments reported in the affiliated companies' financial statements in the appropriate accounts provided in this system of accounts subject to the provisions of Instruction 4.

(4) Any profits or losses on transactions between the accounting company and the investee affiliate shall be eliminated until realized by the accounting company or the investee company as if the two were consolidated.

(5) A transaction of the investee of a capital nature that affects the accounting company's share of stockholders' equity of the investee should be accounted for as if the two were consolidated.

(6) Sales of stock of an investee by an investor company should be accounted for as gains or losses equal to the difference at the time of sale between selling price and the carrying amount of the stock sold.

(7) The financial statements of the investee that are used for equity accounting should be timely. If the accounting year of the investee differs from that of the accounting carrier then the most recent statements may be used. A lag in reporting should be consistent from period to period.

(8) An investor company should suspend application of the equity method when the investment together with any net advances made to the investee is reduced to zero. Additional losses should not be provided for unless the accounting carrier has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. If the investee subsequently reports net income the accounting carrier shall resume applying the equity method at such time as its share of that net income equals the share of net losses not recognized during the period of suspension.

(9) The accounting company shall deduct any dividends applicable whether or not declared on outstanding cumulative preferred stock of the investee affiliate when computing its share of earnings or losses.

(10) When the accounting company voting stock interest falls below the level of ownership described in paragraph (b) above the investment no longer qualifies for the "equity method". Any dividends received on the investment in subsequent periods shall be applied as a reduction of the carrying amount of the investment to the extent they exceed the accounting carrier's share of earnings for such periods.

(11) When the level of ownership of an investment accounted for under the cost method increases to that described in paragraph (b) above, then the investment shall be accounted for under the equity method. The investment, net income (current and prior periods) and retained earnings of the accounting carrier shall be adjusted retroactively (see instruction 4). The adjustment should be made on a step by step basis determining the income, dividend, and amortization adjustment applicable at each level of ownership.

(d) The accounting company shall write down the cost of any investment to the extent of impairment in values; however, mere fluctuations in market value shall not be recorded. Write downs for impairment shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The loss may be recorded in the accounts by establishing a reserve for such loss through credits to account 32, "Reserve for adjustment of investments in securities". Losses attributable to write downs or write offs shall be charged to account 414, "Miscellaneous income charges" or to account 435, "Extraordinary items (net)", as appropriate.

(e) When securities with a fixed maturity date are purchased at a discount (i.e., when total cost including brokerage fees, taxes, commissions, etc. is less than par), such discounts may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and credits to the same account in which interest income is credited. No debits shall be made in respect to discounts upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity. When securities with a fixed maturity date are purchased at a premium (i.e., when the total cost including brokerage fees, taxes, commissions, etc. is in excess of par), such premium may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same accounts in which the interest income is recorded.

NOTE:—Cost (for purposes of this instruction) is cash or fair market value of the consideration given at the time of acquisition but excluding amounts of accrued interest and accrued dividends.

Redesignated instruction "29 Form of general balance sheet statement" is amended by adding the following after line item "131 Other investments":

131 * * *
Pledged.
Unpledged.
Less: Reserve for adjustment of investments in securities.
Total investment securities and advances.
Tangible Property.

* * * * *

GENERAL BALANCE SHEET ACCOUNTS

The text of account "130 Investments in affiliated companies" is revised to read:

130 Investments in affiliated companies.

(a) This account shall include investments in affiliated companies described in paragraphs (a) and (b) of instruction 28, "Recorded value of securities owned", other than securities held in special deposits or special funds. All such investments shall be accounted for in accordance with the provisions set out in instruction 28.

(b) This account shall be maintained in such a manner as to show each of the following investment elements in each affiliated company (including corporate joint ventures).

(a) Common stock at cost and (if applicable) to show

(i) Equity in net assets at the date of acquisition.

(ii) Unamortized balance of the original goodwill amount.

(iii) Equity in undistributed earnings since acquisition.

(iv) Dividends received from the date of acquisition.

(b) Preferred stocks.

(c) Bonds.

(d) Other secured obligations.

(e) Unsecured notes.

(f) Investment advances.

* * * * *

After the text of account "131 Other investments" the following new account number, title and text are added:

132 Reserve for adjustment of investments in securities.

(a) This account shall be credited with amounts charged to account 414, "Miscellaneous income charges", or account 435, "Extraordinary items (net)", as appropriate, to provide a reserve for adjustments in the value of investment securities included in account 130, "Investments in affiliated companies", and account 131, "Other investments", where there is a permanent impairment in the recorded values.

(b) If reserves are maintained for anticipated losses in specific securities, when such securities are disposed of, this account shall be charged to the extent of the credit balance applicable to the particular securities involved. The remainder, if any, shall be charged to account 414, "Miscellaneous income charges", or account 435, "Extraordinary items (net)," as appropriate.

(c) In case a general reserve for losses in unspecified security values is maintained, all such losses on disposition shall be charged to this account to the extent of the credit balance, and the remainder, if any, shall be charged to account 414, "Miscellaneous income charges" or account 435, "Extraordinary items (net)", as appropriate.

Income Accounts

The text of account "401 Dividend and interest income" is revised by amending paragraph (a) to read:

401 Dividend and interest income.

(a) This account shall include dividends and interest declare on securities of companies except for affiliated companies accounted for under the equity method of accounting (see instruction 28), the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through a lease or otherwise.

* * * * *

After the text of account "403 Miscellaneous income", the following new account number, title and text are added:

404 Income from affiliated companies.

This account shall be debited or credited with the following:

(a) The accounting company's share of the current earnings or losses of affiliated companies and corporate joint ventures required to be accounted for under equity accounting (see instruction 28).

(b) The amortization of any difference between the cost of an investment and the equity of the accounting company in the net assets of the investee (see instruction 28(c)(1)).

NOTE: Dividends paid or declared by companies on the stock of companies in which the accounting company holds 20% or more of the voting common stock shall be credited to balance sheet account 130, "Investment in affiliated companies".

The text of account "435 Extraordinary items (net)", is amended by adding the following to paragraph (a):

(a) * * * The accounting company's share of extraordinary income or loss from an affiliated company (see instruction 28(c)(3)).

* * * * *

The text of account "440 Prior period items (net)" is amended by adding the following to paragraph (a):

(a) * * * The accounting company's share of prior period adjustments from an affiliated company (see instruction 28(c)(3)).

* * * * *

[FR Doc.74-7907 Filed 4-8-74;8:45 am]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 231, 241]

[Release Nos. 33-5474, 34-10708]

DISCLOSURE OF EXTRACTIVE RESERVES AND NATURAL GAS SUPPLIES

Proposed Preparation and Filing of Registration Statements; Extension of Comment Period

On February 7, 1974, the Securities and Exchange Commission announced that it is proposing to amend Guide 28, "Extractive Reserves," of the Guides for Preparation and Filing of Registration Statements under the Securities Act of 1933. (Securities Act Release No. 5454, Securities Exchange Act Release No. 10632) (39 FR 8353, March 5, 1974). If adopted, Guide 28 would be amended by adding a new paragraph (b) relating to disclosure by companies engaged in the gathering, transmission, or distribution of natural gas and would be captioned "Disclosure of Extractive Reserves and Natural Gas Supplies." The Commission also announced that it is considering the adoption of the substance of Guide 28, as amended, as Guide 2, "Disclosure of Extractive Reserves and Natural Gas Supplies," of proposed Guides for Preparation and Filing of Reports and Registration Statements under the Securities Exchange Act of 1934 ("Exchange Act"). Paragraph (a) of proposed Guide 2, relating to extractive reserves, would apply only to registration statements on Form 10 (17 CFR 249.210) and not to annual reports on Form 10-K (17 CFR 249.310) or other periodic reports under the Exchange Act.

The time for submitting comments on this matter expires March 29, 1974. However, the Commission has received requests for additional time within which to submit such comments. Accordingly, the comment period has been extended to April 15, 1974. Comments should be addressed to George A. Fitzsimmons Secretary, Securities and Exchange Commission, Washington, D.C. 20549. All such communications will be placed in the public files of the Commission and should refer to File No. S7-511.

By the Commission.

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

APRIL 1, 1974.

[FR Doc.74-8123 Filed 4-8-74;8:45 am]

VETERANS ADMINISTRATION

[38 CFR Part 3]

VETERANS' BENEFITS

Election of Federal Employees' Compensation; Revocability

The following proposed regulatory change to § 3.708 deletes the provision that an election between Veterans Administration benefits and benefits under the Federal Employees' Compensation Act based on injury or death in military service is final. This change results from a determination that the irrevocable election provision in 5 U.S.C. 8116(b) is applicable only to entitlement based on injuries or deaths incurred in civilian employment since that section is applicable to injury or death of an "employee" and 5 U.S.C. 8101, which defines "employee," does not include persons who are injured or die in military service.

In addition minor editorial changes have been made to § 3.711 designed to reflect agency policy to avoid any appearance of seeming to preclude benefits for female veterans, dependents, or beneficiaries. No substantive change affecting benefits is involved.

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposal to the Administrator of Veterans' Affairs (27H), Veterans Administration, 810 Vermont Avenue, NW., Washington, DC 20420. All relevant material received before May 9, 1974, will be considered. All written comments received will be available for public inspection at the above address only between the hours of 8 a.m. and 4:30 p.m. Monday through Friday (except holidays), during the mentioned 30-day period and for 10 days thereafter. Any person visiting Central Office for the purpose of inspecting any such comments will be received by the Central Office Veterans Assistance Unit in room 132. Such visitors to any field station will be informed that the records are available for inspection only in Central Office and furnished the address and the above room number.

The proposed change to § 3.708 would be effective the date of final approval.

1. Section 3.708 is revised to read as follows:

§ 3.708 Office of Federal Employees' Compensation.

(a) *Military service*—(1) *Initial election.* Where a person is entitled to compensation from the Office of Federal Employees' Compensation based upon disability or death due to service in the Armed Forces and is also entitled based upon service in the Armed Forces to pension, compensation or dependency and indemnity compensation under the laws administered by the Veterans Administration, the claimant will elect which benefit he or she will receive. Pension, compensation, or dependency and indemnity compensation may not be paid in such instances by the Veterans Administration concurrently with compensation from the Office of Federal Employees' Compensation. Benefits are not payable by the Office of Federal Employees' Compensation for disability or death incurred on or after January 1, 1957, based on military service.

(2) *Right of reelection.* Persons receiving compensation from the Office of Federal Employees' Compensation based on death due to military service may elect to receive dependency and indemnity compensation at any time. Once payment of

dependency and indemnity compensation has been granted, all further right to Federal Employees' Compensation Act benefits is extinguished and only dependency and indemnity compensation is payable thereafter.

(3) *Rights of children.* Where primary title is vested in the widow or widower, the claimant's election controls the rights of any of the veteran's children, regardless of whether they are in the claimant's custody and regardless of the fact that such children may not be eligible to receive benefits under laws administered by the Office of Federal Employees' Compensation. A child who is eligible for dependency and indemnity compensation or other benefits independent of the widow's or widower's entitlement may receive such benefits concurrently with payment of Office of Federal Employees' Compensation benefits to the widow or widower.

(4) *Entitlement based on 38 U.S.C. 351.* The provisions of this paragraph are applicable also in those cases in which disability or death occurs as a result of having submitted to an examination, medical or surgical treatment, hospitalization or training.

(b) *Civilian employment.* Where a person is entitled to compensation from the Office of Federal Employees' Compensation based upon civilian employment and is also entitled to compensation or dependency and indemnity compensation under laws administered by the Veterans Administration for the same disability or death, the claimant will elect which benefit he or she will receive. On or after September 13, 1960, an award cannot be approved for payment of compensation or dependency and indemnity compensation concurrently with compensation from the Office of Federal Employees' Compensation in such instances and an election to receive benefits from either agency is final. See § 3.958. There is no right of reelection. (Public Law 86–767; 74 Stat. 906) A child who is eligible for dependency and indemnity compensation or other benefits independent of the widow's or widower's entitlement may receive such benefits concurrently with payment of Office of Federal Employees' Compensation benefits to the widow or widower.

2. Section 3.711 is revised to read as follows:

§ 3.711 Public Law 86–211.

(a) *World War I and later services.* Any person receiving or entitled to receive pension based on service in World War I, World War II or the Korean conflict under laws in effect on June 30, 1960, may elect to receive pension under 38 U.S.C. 521. An election of pension under 38 U.S.C. 521 is final when the payee (or his or her fiduciary) has negotiated one check for this benefit. There is no right of reelection.

(b) *Service prior to World War I*—(1) *General.* Veterans of the Indian wars who meet the service requirements of 38 U.S.C. 511(b) and veterans of the Spanish-American War who meet the service requirements of 38 U.S.C. 512(a) may elect to receive pension under 38 U.S.C. 521. Any widow or widower eligible for pension under 38 U.S.C. 536 may elect to receive pension under 38 U.S.C. 541. An election of pension under 38 U.S.C. 521 or 541 is final, except as provided in paragraph (b)(2) of this section, when the payee (or his or her fiduciary) has negotiated one check for this benefit. There is no right of reelection.

(2) *Aid and attendance.* Any veteran who meets the service requirements of paragraph (b)(1) of this section and who is receiving or entitled to receive pension based on need of regular aid and attendance will be paid whichever is greater: The monthly rate authorized by 38 U.S.C. 511(a) or 512(a), or the monthly rate authorized by 38 U.S.C. 521. A widow or widower of a veteran of the Spanish-American War who is receiving or entitled to receive pension based on a need of regular aid and attendance will be paid whichever is the greater: The monthly rate authorized by 38 U.S.C. 536 (a) and (b) and 544, or the monthly rate authorized by 38 U.S.C. 541 and 544. Elections are not required for these purposes. The change in rate will be effective the first day of the month in which the facts warrant such change. (38 U.S.C. 511, 512, 536, 541, 544; Public Law 92–328, 86 Stat. 393)

Approved: April 3, 1974.

By direction of the Administrator.

[SEAL] R. L. ROUDEBUSH,
Deputy Administrator.

[FR Doc.74–8093 Filed 4–8–74;8:45 am]

[38 CFR Part 3]

SERVICEMEN'S INDEMNITY

Revocation of Obsolete Provisions

The Administrator of Veterans' Affairs proposes regulatory changes which revoke obsolete provisions relating to servicemen's indemnity.

Public Law 23, 82d Congress, the Servicemen's Indemnity Act of 1951, provided that persons who served on or after June 27, 1950, were automatically insured by the United States against death in service in the amount of $10,000. The $10,000 coverage was reduced by the amount of any National Service or United States Government Life Insurance the covered person had in force at the time of his death. Servicemen's indemnity was payable at the maximum rate of $92.90 monthly for 10 years, the initial installment becoming due on the date of death. Public Law 881, 84th Congress (70 Stat. 886) repealed the Servicemen's Indemnity Act effective January 1, 1957. The final installments of servicemen's indemnity became due December 31, 1966, the tenth anniversary of the last day of coverage under the Act. Therefore, regulatory provisions reflecting servicemen's indemnity as an ongoing program are obsolete. Revocation of these provisions does not abrogate any rights which accrued under the Servicemen's Indemnity Act prior to January 1, 1957. To effect these revocations it is proposed to amend Part 3, Title 38, Code of Federal Regulations, as set forth below.

Minor editorial changes, unrelated to the substantive changes, have been made in §§ 3.402, 3.656, 3.657 and 3.703 designed to reflect agency policy to avoid any appearance of seeming to preclude benefits for female veterans, dependents, or beneficiaries. Similar editorial changes are included in §§ 3.403, 3.658 and 3.702. No substantive change affecting benefits is involved.

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposal to the Administrator of Veterans' Affairs (27H), Veterans Administration, 810 Vermont Avenue, NW., Washington DC 20420. All relevant material received before May 9, 1974, will be considered. All written comments received will be available for public inspection at the above address only between the hours of 8 a.m. and 4:30 p.m. Monday through Friday (except holidays), during the mentioned 30-day period and for 10 days thereafter. Any person visiting Central Office for the purpose of inspecting any such comments will be received by the Central Office Veterans Assistance Unit in room 132. Such visitors to any VA field station will be informed that the records are available for inspection only in Central Office and furnished the address and the above room number.

The proposed amendments to §§ 3.658 (a) and 3.702(d) and the revocation of §§ 3.400(t), 3.403(e), 3.500(s), 3.704(b), 3.705, 3.706 and 3.1800 through 3.1822 will be effective the date of final approval.

1. In § 3.400, paragraph (t) is revoked and the former paragraphs (u), (v), (w) and (x) are redesignated (t), (u), (v), and (w). The redesignated paragraphs read as follows:

§ 3.400 General.

Except as otherwise provided, the effective date of an award of pension, compensation or dependency and indemnity compensation based on an original claim, a claim reopened after final disallowance, or a claim for increase will be the date of receipt of the claim or the date entitlement arose, whichever is the later. The effective date of an evaluation and award of pension or compensation for a veteran will be the date of receipt of the claim or the date entitlement arose, whichever is later. (38 U.S.C. 3010(a))

* * * * *

(t) *Whereabouts now known.* (See (See § 3.158(c).)

(u) *Void or annulled marriage of a child (38 U.S.C. 3010(a), (k); § 3.55)*—(1) *Void.* Date the parties ceased to cohabit or date of receipt of claim, whichever is later.

(2) *Annulled.* Date the decree of annulment became final if claim is filed within 1 year after that date; otherwise date of receipt of claim.

(v) *Termination of remarriage of widow (widower) (38 U.S.C. 3010(a), (k); 38 U.S.C. 103(d)(2) and 3010(l) effective January 1, 1971; § 3.55)*—(1)

Void. Date the parties ceased to cohabit or date of receipt of claim, whichever is the later.

(2) *Annulled.* Date the decree of annulment became final if claim is filed within 1 year after that date; otherwise date of receipt of claim.

(3) *Death.* Date of death if claim is filed within 1 year after that date; otherwise date of receipt of claim. (Effective January 1, 1971)

(4) *Divorce.* Date the decree became final if claim is filed within 1 year after that date; otherwise date of receipt of claim. (Effective January 1, 1971)

(w) *Termination of relationship or conduct resulting in restriction on payment of benefits (38 U.S.C. 103(d)(3), 3010(m), effective January 1, 1971; §§ 3.50(b)(2) and 3.55).* Date of receipt of application filed after termination of relationship and after December 31, 1970.

2. In § 3.402, the headnote, the introductory portion preceding paragraph (a), and paragraphs (a) and (b) are amended to read as follows:

§ 3.402 Widows (widowers).

Awards of pensions, compensation, or dependency and indemnity compensation to or for a widow (widower) will be effective as follows:

(a) *Additional allowance of dependency and indemnity compensation for children (§ 3.5(e)).* Commencing date of widow's (widower's) award. See § 3.400(c).

(b) *Legal widow (widower) entitled.* See § 3.657.

* * * * *

3. In § 3.403, the introductory portion preceding paragraph (a) is amended, paragraph (e) is revoked and the former paragraph (f) is redesignated (e). The amended material and the redesignated paragraph (e) read as follows:

§ 3.403 Children.

Awards of pension, compensation, or dependency and indemnity compensation to or for a child, or to or for a veteran or widow (widower) on behalf of such child, will be effective as follows:

* * * * *

(e) *Adopted child.* Date of adoption either interlocutory or final or date of adoptive placement agreement, but not earlier than the date from which benefits are otherwise payable.

4. In § 3.500, paragraph (s) is revoked and former paragraphs (t) through (w) are redesignated (s) through (v). The redesignated paragraphs (s), (t), (u) and (v) read as follows:

§ 3.500 General.

The effective date of a rating which results in the reduction or discontinuance of an award will be in accordance with the facts found except as provided in § 3.105. The effective date of reduction or discontinuance of an award of pension, compensation, or dependency and indemnity compensation for a payee or dependent will be the earliest of the dates stated in these paragraphs unless otherwise provided. Where an award is reduced, the reduced rate will be effective the day following the date of discontinuance of the greater benefit. (38 U.S.C. 3012(b))

* * * * *

(s) *Treasonable acts or subversive activities. (38 U.S.C. 3504 and 3505; §§ 3.902 and 3.903)* Beginning date of award, or day preceding date of commission of treasonable act or subversive activities for which convicted, whichever is later. (See § 3.669.)

(t) *Whereabouts unknown (§§ 3.158, 3.656).* Date of last payment.

(u) *Change in law or Veterans Administration issue, or interpretation.* See § 3.114.

(v) *Failure to furnish evidence.* Except as otherwise provided, date of last payment where evidence requested to establish continued entitlement is not furnished.

5. In § 3.656, paragraph (d) is amended to read as follows:

§ 3.656 Disappearance of veteran.

* * * * *

(d) When any veteran has disappeared for 90 days or more and his (or her) whereabouts remain unknown to members of his (or her) family and the Veterans Administration, any pension under Public Law 86-211 (73 Stat. 432) or Indian or Spanish-American War pension which the veteran was receiving or entitled to receive may be paid to or for the spouse or children. The status of the veteran at the time of disappearance, with respect to permanent and total disability, income and net worth will be presumed to continue unchanged. Payment for the wife (husband) or children will be effective the day following the date of last payment to the veteran if a claim is received within 1 year after that date; otherwise from date of receipt of a claim. The total amount payable will be the lesser of these amounts:

(1) Death pension.

(2) Amount of pension payable to the veteran at the time of disappearance. (38 U.S.C. 507)

6. Section 3.657 is revised to read as follows:

§ 3.657 Widow (widower) becomes entitled, or entitlement terminates.

Where a widow (widower) establishes entitlement to pension, compensation, or dependency and indemnity compensation, an award to another person as widow (widower), or for a child or children as if there were no widow (widower), will be discontinued or adjusted as provided in this section.

(a) *Widow's (widower's) awards.* For periods on or after December 1, 1962, where a legal widow (widower) establishes entitlement after payments have been made to another person as widow (widower), the full rate payable to the legal widow (widower) will be authorized effective the date of entitlement. Payments to the former payee will be discontinued as follows:

(1) Where benefits are payable to the legal widow (widower) from a date prior to the date of filing claim, the award to the former payee will be terminated the day preceding the effective date of the award to the legal widow (widower).

(2) Where benefits are payable to the legal widow (widower) from the date of filing claim, the award to the former payee will be terminated effective the date of receipt of the claim or date of last payment, whichever is later.

(b) *Children's awards.* (1) Where a widow (widower) establishes entitlement and:

(i) Payments were being made for a child or children at a lower monthly rate than that provided where there is a widow (widower), the award to the widow (widower) will be effective the date provided by the applicable law, and will be the difference between the rate paid for the children and the rate payable for the widow (widower) and children. The full rate will be payable for the widow (widower) effective the day following the date of last payment for the children;

(ii) Payments were being made for a child or children at the same or higher monthly rate than that provided where there is a widow (widower), the award to the widow (widower) will be effective the day following the date of last payment on the awards on behalf of the children.

(2) Where a widow (widower) has received benefits after entitlement was terminated and,

(i) The child or children were entitled to a lower monthly rate, the award to the widow (widower) will be amended to authorize payment at the rate provided for the children as if there were no widow (widower), covering the period from the date the widow's (widower's) entitlement terminated to the date of last payment. The award for the child or children will be made effective the following day.

(ii) The child or children were entitled to a higher monthly rate, the award to the widow (widower) will be discontinued effective date of last payment. The award to the children will be effective the day following the date the widow's (widower's) entitlement terminated and will be the difference between the rate payable for the children and the rate paid on the widow's (widower's) award. The full rate will be payable for the children effective the day following the date of last payment to the widow (widower).

7. Section 3.658 is revised to read as follows:

§ 3.658 Offsets; dependency and indemnity compensation.

(a) When an award of dependency and indemnity compensation is made covering a period for which death compensation, servicemen's indemnity, or benefits under the Federal Employees' Compensation Act, based on military service, have been paid to the same payee based on the same death, the award of dependency and indemnity compensation will be made subject to an offset of payments

of death compensation or benefits under the Federal Employees' Compensation Act over the same period.

(b) When a retroactive award of dependency and indemnity compensation is made to or for a child over the age of 18 and the widow (widower) has received death compensation on behalf of the child at a higher rate than the rate of dependency and indemnity compensation payable to the widow (widower) over the same period, the difference will be offset against the award of dependency and indemnity compensation otherwise payable for the child. If awards of dependency and indemnity compensation are being made for more than one child over the age of 18, the amount to be offset will be equally divided. (38 U.S.C. 416(b) (1) and (2))

8. In § 3.702, paragraphs (c), (d), (e) and (f) are amended to read as follows:

§ 3.702 Dependency and indemnity compensation.

* * * * *

(c) *Limitation.* A claim for dependency and indemnity compensation may not be filed or withdrawn after the death of the widow (widower), child, or parent.

(d) *Finality of election.* An election to receive dependency and indemnity compensation is final and the claimant may not thereafter reelect death pension or compensation in that case. The election is final when the payee (or his fiduciary) has negotiated one check for this benefit or when the payee dies after filing claim. There is no right of reelection.

(e) *Widow (widower) becomes entitled.* A widow (widower) who becomes eligible to receive death compensation by reason of liberalizing provisions of any law may receive death compensation or elect dependency and indemnity compensation even though dependency and indemnity compensation has been paid to a child or children of the veteran.

(f) *Death pension rate.* (1) Effective October 1, 1961, where the monthly rate of dependency and indemnity compensation payable to a widow (widower) who has children is less than the monthly rate of death pension which would be payable to such widow (widower) if the veteran's death had not been service connected, dependency and indemnity compensation shall be paid to such widow (widower) in an amount equal to the pension rate for any month (or part thereof) in which this rate is greater. (38 U.S.C. 412(b))

(2) Effective June 22, 1966, where the monthly rate of dependency and indemnity compensation payable to a widow (widower) who has children is less than the monthly rate of death pension which would be payable for the children if the veteran's death had not been service connected and the widow (widower) were not entitled to such pension, dependency and indemnity compensation shall be payable to the widow (widower) in an amount equal to the monthly rate of death pension which would be payable to the children for any month (or part thereof) in which this rate is greater. (38 U.S.C. 412(b))

9. In § 3.703, paragraphs (a) and (c) are amended to read as follows:

§ 3.703 Two parents in same parental line.

(a) *General.* Death compensation or dependency and indemnity compensation is not payable for a child if dependency and indemnity compensation is paid to or for a child or to the widow (widower) on account of the child by reason of the death of another parent in the same parental line where both parents died before June 9, 1960. Where the death of one such parent occurred on or after June 9, 1960, gratuitous benefits may not be paid or furnished to or on account of any child by reason of the death of more than one parent in the same parental line.

* * * * *

(c) *Other payees.* Where a child has elected to receive pension, compensation, dependency and indemnity compensation or dependents' educational assistance under 38 U.S.C. ch. 35 based on the death of a veteran, he (or she) will be excluded from consideration in determining the eligibility or rate payable to a widow (widower) or another child or children in the case of another deceased veteran in the same parental line. See § 3.659(b).

10. In § 3.704, paragraph (b) is revoked and former paragraph (c) is redesignated (b). The redesignated (b) reads as follows:

§ 3.704 Elections within class of dependents.

* * * * *

(b) *Parents.* If there are two parents eligible for dependency and indemnity compensation and only one parent files claim for this benefit, the rate of dependency and indemnity compensation for that parent will not exceed the amount which would be paid to him if both parents had filed claim for dependency and indemnity compensation. The rate of death compensation for the other parent will not exceed the amount which would be paid if both parents were receiving this benefit.

§§ 3.705 and 3.706 [Revoked]

11. Section 3.705, Surrender of servicemen's indemnity, and § 3.706, Servicemen's indemnity for children, are revoked and the cross reference immediately following § 3.706 is deleted.

§§ 3.1800 through 3.1822 [Revoked]

12. Subpart C, Servicemen's Indemnity, is revoked.

Approved: April 3, 1974.

By direction of the Administrator.

R. L. ROUDEBUSH,
Deputy Administrator.

[FR Doc.74-8094 Filed 4-8-74;8:45 am]

FEDERAL ENERGY OFFICE

[10 CFR Part 211]

CLARIFICATIONS AND REVISIONS TO PART 211

Extension of Comment Period

Notice is hereby given that the closing date for comments to the notice issued March 27, 1974 (39 FR 11768, March 29, 1974), proposing a revision of the basic regulatory framework of the Mandatory Petroleum Allocation Regulations, is changed from April 8, 1974 to April 15, 1974.

Issued in Washington, D.C., April 8, 1974.

WILLIAM N. WALKER,
General Counsel,
Federal Energy Office.

[FR Doc.74-8310 Filed 4-8-74;12:11 pm]

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 STATE

Agency for International Development

[Redelegation 99.1.56]

MISSION DIRECTOR, USAID, KHMER REPUBLIC

Redelegation of Authority Regarding Contracting Functions

Pursuant to the authority delegated to me as Director, Office of Contract Management, under Redelegation of Authority No. 99.1 (38 FR 12836) from the Assistant Administrator for Program and Management Services of the Agency for International Development, I hereby redelegate to the Mission Director, USAID, Khmer Republic, the authority to sign or approve:

1. U.S. Government contracts and grants (other than grants to foreign governments or agencies thereof) and amendments thereto, and A.I.D. grant-financed host country contracts for technical assistance, provided that the aggregate amount of each individual contract does not exceed $25,000 or local currency equivalent.

2. Contracts with individuals for the services of the individual alone without monetary limitation.

The authority herein delegated may be redelegated in writing, in whole or in part, by said Mission Director at his discretion to the person or persons designated by the Mission Director as Contracting Officer. Such redelegation shall remain in effect until such designated person ceases to hold the office of Contracting Officer for the Mission, or until the redelegation is revoked by the Mission Director, whichever shall first occur. The authority so redelegated by the Mission Director may not be further redelegated.

The authority delegated herein is to be exercised in accordance with regulations, procedures and policies now or hereafter established or modified and promulgated within A.I.D. and is not in derogation of the authority of the Director of the Office of Contract Management to exercise any of the functions herein redelegated.

The authority herein delegated to the Mission Director may be exercised by duly authorized persons who are performing the functions of the Mission Director in an acting capacity.

Redelegation of Authority 99.1.50 (38 FR 29097 and 29098), dated September 21, 1973, is hereby revoked.

Any official actions taken prior to the effective date hereof by officers duly authorized pursuant to delegations revoked hereunder are hereby continued in effect, according to their terms until modified, revoked, or superseded by action of the officer to whom I have delegated relevant authority in this delegation.

Actions within the scope of this delegation and any redelegations hereunder heretofore taken by the officials designated in such delegation or redelegations are hereby ratified and confirmed.

This redelegation of authority shall be effective March 27, 1974.

Dated: March 27, 1974.

JOHN F. OWENS,
Director, Office of Contract Management.

[FR Doc.74-8048 Filed 4-8-74;8:45 am]

RESEARCH ADVISORY COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11686 and the provisions of section 10(a)(2), Pub. L. 92-463, Federal Advisory Committee Act, notice is hereby given of the A.I.D. Research Advisory Committee Meeting on May 6 and 7, 1974 at the Pan American Health Organization Building, 23rd Street and Virginia Avenue, NW, Conference Room "C", to review, appraise and make recommendations to the Administrator, Agency for International Development, concerning proposals for research contracts in the fields of agriculture, health, nutrition, population and economics. In addition, a portion of the meeting will be devoted to a discussion of the A.I.D. food and nutrition program. That portion of the meeting concerning proposals for research contracts will be held on May 6, 1974 from 2 p.m. to 5:45 p.m. and on May 7, 1974, 8:45 a.m. to 12:30 p.m. and 2:15 p.m. to 5:30 p.m. The session concerning the A.I.D. food and nutrition program will be held on May 6, 1974 from 9:15 a.m. to 12:15 p.m. Dr. Erven Long, Associate Assistant Administrator, is designated as the A.I.D. representative at the meeting. It is suggested that those desiring more specific information contact Dr. Erven J. Long, 21st Street and Virginia Avenue, NW Washington, D.C. 20523, or call area code 202-632-9223.

Dated: March 29, 1974.

JOEL BERNSTEIN,
Assistant Administrator for Technical Assistance.

[FR Doc.74-8047 Filed 4-8-74;8:45 am]

DEPARTMENT OF DEFENSE

Department of the Navy

STATEMENT OF ORGANIZATION AND FUNCTIONS

On May 17, 1966, General Order 5 of the Secretary of the Navy was published in the FEDERAL REGISTER (31 FR 7188). General Order 5 promulgated an Organization Statement which superseded previously published Organization Statements. General Order 5 was cancelled and superseded by Secretary of the Navy Instruction 5800.13 of August 24, 1971. In order to accurately promulgate the present organization and administration of the Department of the Navy, Secretary of the Navy Instruction 5800.13 is set forth below:

a. *Purpose.* This instruction prescribes policies and principles and assigns basic responsibilities which shall hereafter govern the organization and continued administration of the Department of the Navy under the Secretary of the Navy.

b. *Cancellation.* General Order No. 5 of April 29, 1966, is canceled and superseded by this instruction.

c. *Composition of the Department of the Navy.* (1) The Department of the Navy is separately organized under the Secretary of the Navy. It operates under the authority, direction, and control of the Secretary of Defense. It is composed of the executive part of the Department of the Navy; the Headquarters, United States Marine Corps; the entire operating forces, including naval aviation, of the United States Navy and of the United States Marine Corps, and the reserve components of those operating forces; and all shore activities, headquarters, forces, bases, installations, activities and functions under the control or supervision of the Secretary of the Navy. It includes the United States Coast Guard when it is operating as a service in the Navy.

(2) The term "Navy Department" refers to the central executive offices of the Department of the Navy located at the seat of the government. The Navy Department is organizationally comprised of the Office of the Secretary of the Navy, which includes his Civilian Executive Assistants, Offices of his Staff Assistants, and the headquarters organizations of the Office of Naval Research, the Office of the Judge Advocate General, and the Office of the Comptroller of the Navy; the Office of the Chief of Naval Operations, the Headquarters, United States

Marine Corps; and, under the command of the Chief of Naval Operations, the Headquarters, Naval Material Command, and the headquarters organizations of the Bureau of Naval Personnel and the Bureau of Medicine and Surgery. In addition, the Headquarters, United States Coast Guard, is included when the United States Coast Guard is operating as a service in the Navy.

d. *Objectives.* The fundamental objectives of the Department of the Navy, within the Department of Defense, are (a) to organize, train, equip, prepare, and maintain the readiness of Navy and Marine Corps forces for the performance of military missions as directed by the President or the Secretary of Defense, and (b) to support Navy and Marine Corps forces, including the support of such forces and the forces of other military departments, as directed by the Secretary of Defense, which are assigned to unified or specified commands. Support, as here used, includes administrative, personnel, material and fiscal support, and technological support through research and development.

e. *Executive Administration of the Department of the Navy.* (1) The Secretary of the Navy is the head of the Department of the Navy. Under the direction, authority, and control of the Secretary of Defense, he is responsible for the policies and control of the Department of the Navy, including its organization, administration, operation, and efficiency.

(2) The Civilian Executive Assistants to the Secretary are the Under Secretary of the Navy and the Assistant Secretaries of the Navy. It is the policy of the Secretary of the Navy to assign Department-wide responsibilities for areas which are essential to the efficient administration of the Department of the Navy to and among his Civilian Executive Assistants. Such areas include, but are not limited to, transportation, material, facilities, research and development, and financial management. Each Civilian Executive Assistant will have such authority over his assigned area as prescribed by law or as delegated to him by the Secretary of the Navy. One of the Civilian Executive Assistants will serve as Comptroller of the Navy. When so appointed, he has statutory responsibility for certain financial matters within the Department of the Navy. Under the Comptroller, the Deputy Comptroller of the Navy will, in addition to his other duties, serve as an advisor and assistant to the Chief of Naval Operations and the Commandant of the Marine Corps with respect to financial and budgetary matters.

(3) The Chief of Naval Operations is the senior military officer of the Department of the Navy and takes precedence above all other officers of the naval service, except an officer of the naval service who is serving as Chairman of the Joint Chiefs of Staff. He is the principal naval adviser to the President and to the Secretary of the Navy on the conduct of war, and the principal naval adviser and naval executive to the Secretary on the conduct of the activities of the Department of the Navy. The Chief of Naval Operations is the Navy member of the Joint Chiefs of Staff, and is responsible for keeping the Secretary of the Navy fully informed on matters considered or acted upon by the Joint Chiefs of Staff. In his capacity as a member of the Joint Chiefs of Staff he is responsible to the President and the Secretary of Defense for duties external to the Department of the Navy as prescribed by law.

(i) Internal to the administration of the Department of the Navy, the Chief of Naval Operations, under the direction of the Secretary of the Navy, shall command the Operating Forces of the Navy, which shall include the several fleets, seagoing forces, sea frontier forces, district forces, Fleet Marine Forces and other assigned Marine Corps forces, the Military Sealift Command, and other forces and activities as may be assigned by the President or the Secretary of the Navy. The Chief of Naval Operations shall also command the Naval Material Command, the Bureau of Naval Personnel, and the Bureau of Medicine and Surgery. In addition, he shall command such shore activities as may be assigned to him by the Secretary of the Navy. He shall be responsible to the Secretary of the Navy for the utilization of resources by and the operating efficiency of all commands and activities under his command. These general responsibilities include the following specific responsibilities.

(A) To organize, train, prepare, and maintain the readiness of Navy forces, including those for assignment to unified or specified commands for the performance of military missions as directed by the President, the Secretary of Defense, or the Joint Chiefs of Staff. Naval Forces, when assigned to a unified or specified command, are under the full operational command of that command to which they are assigned.

(B) To determine and direct the efforts necessary to fulfillment of current and future requirements of the Navy (less Fleet Marine Forces and other assigned Marine Corps forces) for manpower, material, weapons, facilities, and services, including the determination of quantities, military performance requirements, and times, places, and priorities of need.

(C) To exercise leadership in maintaining a high degree of competence among Navy officer and enlisted and civilian personnel in necessary fields of specialization, through education, training, and equal opportunities for personal advancement, and maintaining the morale and motivation of Navy personnel and the prestige of a Navy career.

(D) To plan and provide health care for personnel of the naval service and their dependents.

(E) To direct the organization, administration, training, and support of the Naval Reserve.

(F) To inspect and investigate components of the Department of the Navy to determine and maintain efficiency, discipline, readiness, effectiveness, and economy, except in those areas where such responsibility rests with the Commandant of the Marine Corps.

(G) Determines the needs of naval forces and activities for research, development, test, and evaluation; plans and provides for the conduct of development, test, and evaluation which are adequate and responsive to long-range objectives, immediate requirements, and fiscal limitations; and provides assistance to the Assistant Secretary of the Navy (Research and Development) in the direction, review, and appraisal of the overall Navy RDT&E Program to insure fulfillment of stated requirements.

(H) To formulate Navy strategic plans and policies and participate in the formulation of joint and combined strategic plans and policies and related command relationships.

(I) To budget for commands, bureaus, and offices assigned to the command of the Chief of Naval Operations, and other activities and programs as assigned, except as may be otherwise directed by the Secretary of the Navy.

(ii) In addition, the Chief of Naval Operations, under the direction of the Secretary of the Navy, shall (except for those areas wherein such responsibility rests with the Commandant of the Marine Corps) exercise overall authority throughout the Department of the Navy in matters related to the effectiveness of the support of the Operating Forces of the Navy, the coordination and direction of assigned Navy-wide programs and functions including those assigned by higher authority, the coordination of activities of the Department of the Navy in matters concerning effectiveness, efficiency, and economy, and matters essential to naval military administration, such as security, intelligence, discipline, communications, and matters related to the customs and traditions of the naval service.

(4) The Commandant of the Marine Corps is the senior officer of the United States Marine Corps. While matters which directly concern the Marine Corps are under consideration by the Joint Chiefs of Staff, and with respect to such matters, the Commandant has coequal status with the members of the Joint Chiefs of Staff. He is responsible for keeping the Secretary of the Navy fully informed on these matters. In this capacity as a coequal member of the Joint Chiefs of Staff, he is responsible to the President and the Secretary of Defense for duties external to the Department of the Navy as prescribed by law.

(i) Internal to the administration of the Department of the Navy, the Commandant of the Marine Corps, under the direction of the Secretary of the Navy, shall command the United States Marine Corps, which shall include Headquarters, United States Marine Corps, the Operating Forces of the Marine Corps, Marine Corps Supporting Establishments, and the Marine Corps Reserve. He advises the Secretary of the Navy on matters pertaining to the Marine Corps. He is directly responsible to the Secretary of the Navy for the administration, discipline, internal organization, training, requirements, efficiency, and readiness of the Marine Corps; for the operation of its material support system; and for the

total performance of the Marine Corps. He is also responsible to the Secretary of the Navy for the utilization of resources by and the operating efficiency of all activities under his command. He shall command such shore activities as may be assigned to him by the Secretary of the Navy. When performing these functions, the Commandant of the Marine Corps is not a part of the command structure of the Chief of Naval Operations. There must, however, be a close cooperative relationship between the Chief of Naval Operations, as the senior military officer of the Department of the Navy, and the Commandant of the Marine Corps, as the one having command responsibility over the Marine Corps. The general responsibilities include the following specific responsibilities:

(A) To plan for and determine the support needs of the Marine Corps for equipment, weapons or weapons systems, materials, supplies, facilities, maintenance, and supporting service. This responsibility includes the determination of Marine Corps characteristics of equipment and material to be procured or developed, and the training required to prepare Marine Corps personnel for combat. It also includes the operation of the Marine Corps Material Support System.

(B) To budget for the Marine Corps, except as may be otherwise directed by the Secretary of the Navy.

(C) To develop, in coordination with other military services, the doctrines, tactics, and equipment employed by landing forces in amphibious operations.

(D) To formulate Marine Corps strategic plans and policies and participate in the formulation of joint and combined strategic plans and policies and related command relationships.

(E) To plan for and determine the present and future needs, both quantitative and qualitative, for personnel, including reserve personnel and civilian personnel, of the United States Marine Corps. This includes responsibility for leadership in maintaining a high degree of competence among Marine Corps officer and enlisted personnel and Marine Corps civilian personnel in necessary fields of specialization through education, training, and equal opportunities for personal advancement; and for leadership in maintaining the morale and motivation of Marine Corps personnel and the prestige of a career in the Marine Corps.

(F) To plan for and determine development requirements of the Marine Corps. To provide for the development, test, and evaluation of new weapon systems and equipment to insure that such are adequate and responsive to immediate and long-range objectives and are within available resources. To provide direct staff assistance to the Assistant Secretary of the Navy (Research and Development) in the direction, review, and appraisal of the overall USMC RDT&E program.

(G) To plan and determine the needs for health care for personnel of the Marine Corps and their dependents.

(ii) The Commandant of the Marine Corps is directly responsible to the Chief of Naval Operations for the organization, training, and readiness of those elements of the Operating Forces of the Marine Corps assigned to the Operating Forces of the Navy. Such Marine Corps forces, when so assigned, are subject to the command exercised by the Chief of Naval Operations over the Operating Forces of the Navy. Likewise, members or organizations of the Navy, when assigned to the Marine Corps, are subject to the command of the Commandant of the Marine Corps.

(5) The Chief of Naval Material, under the command of the Chief of Naval Operations, shall command the Naval Material Command. In addition to the tasks which may be assigned by the Chief of Naval Operations he shall:

(i) Provide direct staff assistance to the Secretary of the Navy, and the Civilian Executive Assistants in matters pertaining to contracting, procurement, production, exploratory development, laboratories, assigned to the Chief of Naval Material, and to related matters. In these areas, the Chief of Naval Material shall inform the Chief of Naval Operations and, when appropriate, the Commandant of the Marine Corps in matters of policy and significant actions.

(ii) Be responsive directly to the Commandant of the Marine Corps in providing necessary planning and programming data requirements and in meeting those particular material support needs of the United States Marine Corps which are required to be provided by the Naval Material Command.

(iii) Provide the Commandant of the Marine Corps with timely advice concerning training and technical requirements essential for the operation and maintenance by Marine Corps personnel of new equipment under development.

(iv) Be responsive to the heads of other organizations in meeting their material support needs which are provided by the Naval Material Command.

(v) Provide guidance to Navy and Marine Corps Commands, as required, on functional areas related to Naval Material Command acquisition and logistics support responsibilities and other technical or professional matters as appropriate.

(6) The Chief of Naval Personnel and the Chief, Bureau of Medicine and Surgery. The Chief of Naval Personnel, under the command of the Chief of Naval Operations, shall command the Bureau of Naval Personnel. The Chief, Bureau of Medicine and Surgery, under the command of the Chief of Naval Operations, shall command the Bureau of Medicine and Surgery. In addition to the tasks which may be assigned by the Chief of Naval Operations, they shall:

(i) Be responsive directly to the Commandant of the Marine Corps in meeting those particular needs of the United States Marine Corps which are required to be provided by their respective bureaus.

(ii) Be responsive to the heads of other organizations in meeting the particular needs of such organizations which are provided by the Chief of Naval Personnel and the Chief, Bureau of Medicine and Surgery.

(7) The Chief of Naval Research, the Judge Advocate General, and the Deputy Comptroller of the Navy. The Chief of Naval Research, under the Secretary of the Navy, shall command the Office of Naval Research and assigned shore activities. The Judge Advocate General under the Secretary of the Navy, shall command the Office of the Judge Advocate General and assigned shore activities. The Deputy Comptroller of the Navy, under the Comptroller of the Navy, shall command the Office of the Comptroller of the Navy and assigned shore activities. Each of them shall be responsible to the Secretary of the Navy or to one of his Civilian Executive Assistants, as assigned, for the utilization of resources by and the operating efficiency of all activities under their respective commands. The functions of the Chief of Naval Research, the Judge Advocate General, and the Comptroller of the Navy will be as provided by law or as assigned by separate directive of the Secretary of the Navy.

(8) The Staff Assistants to the Secretary are the Administrative Officer, Navy Department; the General Counsel; the Director of Civilian Manpower Management; The Chief of Information; the Chief of Legislative Affairs; the Director, Office of Management Information; the Director, Office of Naval Petroleum and Oil Shale Reserves; the Director, Office of Program Appraisal; and the heads of such other offices and boards as may be established by law or by the Secretary of the Navy for the purpose of assisting the Secretary or one or more of his Civilian Executive Assistants in the administration of the Department of the Navy. Each of the foregoing shall supervise all functions and activities internal to his office and assigned shore activities, if any. Each shall be responsible to the Secretary of the Navy or to one of his Civilian Executive Assistants for the utilization of resources by and the operating efficiency of all activities under his supervision. The duties of the individual Staff Assistants and their respective offices will be as provided by law or as assigned by separate directive of the Secretary of the Navy.

f. Relationships Between the Commandant of the Marine Corps and the Chief of Naval Material. Formal operating relationships with respect to the efforts of determining needs and providing support between the Commandant of the Marine Corps, and his organization, and the Chief of Naval Material, and his organization, shall be governed by the following principles:

(1) The Commandant of the Marine Corps will express to the Chief of Naval Material those Marine Corps material needs which are to be provided by the Naval Material Command. With respect to the development of material items, the Commandant of the Marine Corps will specify the military performance required to meet Marine Corps needs.

(2) The Chief of Naval Material will advise the Commandant of the Marine Corps as to the economic and technological feasibility of meeting such needs and will keep the Commandant informed of new capabilities to meet the needs of the Marine Corps which may or may not have been previously expressed. With respect to the development of material items, the Chief of Naval Material will determine the technical effort to satisfy the specified requirement.

(3) The Commandant of the Marine Corps will select the work to be done to satisfy the needs of the Marine Corps based upon feasibility data and current estimates of the work of a particular need in relation to other desirable needs, including, where necessary, the curtailment or cancellation of work already in progress in favor of work which offers greater promise or greater military worth.

(4) The Chief of Naval Material will exercise appropriate supervision over accomplishment of the work selected, and will insure that resources available to him are efficiently utilized in meeting Marine Corps needs.

(5) Work being accomplished will be reviewed concurrently by the Commandant of the Marine Corps from the viewpoint of readiness and military worth, and by the Chief of Naval Material from the viewpoint of progress and the efficient utilization of resources available to him.

g. *Authority over organizational matters.* Subject to the approval of the Secretary of the Navy or guidance hereafter furnished by him, the Civilian Executive Assistants, the Chief of Naval Operations, the Commandant of the Marine Corps, the Chief of Naval Research, the Judge Advocate General, the Deputy Comptroller of the Navy, and the Staff Assistants are individually authorized to organize, assign, and reassign responsibilities within their respective commands and/or offices in the organization of the Department of the Navy, including the establishment and disestablishment of such component organizations as may be necessary, subject to the following:

(1) The authority to disestablish may not be exercised with respect to any organizational component of the Department established by law.

(2) The Secretary of the Navy retains unto himself the authority to approve the establishment of and disestablishment of shore activities, which will be done in accordance with procedures prescribed by him.

Dated: April 2, 1974.

H. B. ROBERTSON, Jr.,
Rear Admiral, JAGC, U.S. Navy,
Acting Judge Advocate General.

[FR Doc.74-8060 Filed 4-8-74;8:45 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

MEDFORD DISTRICT ADVISORY BOARD

Notice of Meeting

Notice is hereby given that the Medford District Advisory Board will meet on April 19, 1974, commencing at 9 a.m. Pacific Daylight Time, at the Jackson County Extension Service Auditorium, 1301 Maple Grove Drive, Medford, Oregon. The agenda for the meeting includes election of chairman and vice-chairman, consideration of the Medford District's proposed timber sale plan for Fiscal Year 1975, status of Road Number 42C, the Small Business Administration Set Aside Program and the Rogue River Moratorium and Permit System.

The meeting will be open to the public. It will be held in a room accommodating 100 people. In addition to discussion of agenda topics by board members, there will be time for brief statements by nonmembers. Persons wishing to make oral statements should so advise the chairman or co-chairman prior to the meeting, to aid in scheduling the time available. Any interested person may file a written statement for consideration by the board by sending it to the chairman, in care of the co-chairman: Medford District Manager, Bureau of Land Management, 310 West Sixth Street, Medford, Oregon 97501.

Dated: March 29, 1974.

DONALD J. SCHOFIELD,
Medford District Manager.

[FR Doc.74-8052 Filed 4-8-74;8:45 am]

[C-19635-R/W (943)]

MOUNTAIN FUEL SUPPLY CO.

Colorado; Notice of Pipeline Application

MARCH 28, 1974.

Notice is hereby given that pursuant to section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), Mountain Fuel Supply Company, 180 East First South, P.O. Box 11368, Salt Lake City, Utah 84130, has applied for a gas pipeline right of way across the following lands:

T. 12 N., R. 100 W., 6th P.M.,
Sec. 13; N½ of Lot 1 (Moffat County).

The pipeline will convey gas from the north boundary line of above-said secton 13, which is the boundary line common to the states of Wyoming and Colorado, and proceed southerly .06 mile to junction with an existing 20-inch production mainline.

The purpose of this notice is to allow any persons asserting a claim to the lands, or having bona fide objections to the proposed pipeline right of way, to file their objections in this office. Any claim or objection must be filed not later than 30 days from the date of this notice with evidence that a copy thereof has been served on Mountain Fuel Supply Company. Assertion of claim or objection must be filed with the Chief, Branch of Land Operations, Bureau of Land Management, Colorado State Office, Room 700, Colorado State Bank Building, 1600 Broadway, Denver, Colorado 80202, within the time specified herein.

EVERETT K. WEEDIN,
Chief, Branch of Land Operations.

[FR Doc.74-8045 Filed 4-8-74;8:45 am]

[C-17800-R/W, et al. (943)]

NORTHWEST PIPELINE CORP.

Colorado; Notice of Pipeline Applications

MARCH 27, 1974.

Notice is hereby given that pursuant to section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110, has applied for meter stations, gas and/or oil pipeline rights of way across the following lands (each location is identified by its case serial number; reference to any location must be identified by the assigned serial number):

Serial Number and Land Description

C-17800-R/W:
T. 2 N., R. 104 W., 6th P.M.,
Sec. 2, within N½N½ (meter station site).

C-17801-R/W:
T. 2 N., R. 104 W., 6th P.M.,
Sec. 2, NW¼NW¼, NW¼NE¼.
T. 3 N., R. 104 W., 6th P.M.,
Sec. 35, SW¼SE¼, SE¼SE¼, NE¼SE¼;
Sec. 36, NW¼SW¼, SW¼NW¼, SE¼NW¼, NE¼NW¼, NW¼NE¼.

C-18883-R/W:
T. 2 N., R. 103 W., 6th P.M.,
Sec. 6, SE¼NE¼, lot 1 (NE¼NE¼).

C-18896-R/W:
T. 2 N., R. 103 W., 6th P.M.,
Sec. 5, SE¼, S½NE¼SW¼, S½NW¼;
Sec. 6, SE¼NE¼, lots 1, 2, 3, 4 (N½N½).
T. 3 N., R. 103 W., 6th P.M.,
Sec. 31, lot 4 (SW¼SW¼).
T. 3 N., R. 104 W., 6th P.M.,
Sec. 36, E½.

C-19410-R/W:
T. 2 S., R. 96 W., 6th P.M.,
Sec. 6, NW¼SE¼, SW¼SE¼, SE¼SW¼.

C-19486-R/W:
T. 2 S., R. 96 W., 6th P.M.,
Sec. 9, SW¼NE¼, SE¼NW¼.

C-19682-R/W:
T. 2 S., R. 96 W., 6th P.M.,
Sec. 23, NE¼NE¼, SE¼NE¼, SW¼NE¼, SE¼NW¼;
Sec. 24, NW¼NW¼.

C-20041-R/W:
T. 2 S., R. 96 W., 6th P.M.,
Sec. 24, NE¼NE¼, NW¼NE¼, SW¼NE¼, NW¼SE¼, NE¼SW¼, SE¼SW¼;
Sec. 25, NE¼NW¼, NW¼NW¼.

The pipelines crossing the lands identified above are gathering lines to transport natural gas and are an integral part of the Ignacio-Sumas and Piceance Creek gathering systems.

The purpose of this notice is to allow any persons asserting a claim to the lands, or having bona fide objections to the proposed pipeline rights of way, to file their objections in this office. Any claim or objection must be filed not later than 30 days from the date of this notice with evidence that a copy thereof has been served on Northwest Pipeline Corporation. Assertion of claim or objection must be filed with the Chief, Branch of Land Operations, Bureau of Land Management, Colorado State Office, Room 700, Colorado State Bank Building, 1600 Broadway, Denver, Colorado 80202, within the time specified herein.

EVERETT K. WEEDIN,
Chief, Branch of Land Operations.

[FR Doc.74-8046 Filed 4-8-74;8:45 am]

[C–20275–R/W (943)]

WESTERN SLOPE GAS CO.

Colorado; Notice of Pipeline Application

MARCH 29, 1974.

Notice is hereby given that pursuant to section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 USC 185), the Western Slope Gas Company, P.O. Box 840, Denver, Colorado 80201, has applied for a natural gas transmission pipeline right of way across the following lands:

T. 3 S., R. 98 W., 6th P.M.,
Sec. 6, lots 8, 9, 10 (N½NW¼, NW¼NE¼).
T. 2 S., R. 98 W., 6th P.M.,
Sec. 31, SW¼SW¼.
T. 2 S., R. 99 W., 6th P.M.,
Sec. 36, S½SE¼SE¼.
T. 3 S., R. 99 W., 6th P.M.,
Traverses sections 1, 11, 14, 15, 19, 20, 21, 22, and the NW¼NE¼ of section 28.
T. 3 S., R. 100 W., 6th P.M.,
Traverses sections 4, 6, 8, 9, 10, 11, 13, 14, and lot 2 in section 24.
T. 2 S., R. 101 W., 6th P.M.,
Traverses portions of sections 33, 34, 35, and 36.
T. 3 S., R. 101 W., 6th P.M.,
Sec. 1, lots 5, 6, 7, 8 (N½N½);
Sec. 4, lot 8;
Sec. 5, lots 5, 6, SW¼NE¼, NW¼SE¼, E½SW¼;
Sec. 8, N½NW¼.

The pipeline will enable the applicant to connect its gas-gathering and transmission system in the West Douglas Creek area of Rio Blanco County to its gas-gathering and transmission system in the Black Sulphur Creek and Piceance Creek area, also in Rio Blanco County. The pipeline is intended to serve the Craig-Steamboat Springs, Colorado, market area.

The purpose of this notice is to allow any persons asserting a claim to the lands, or having bona fide objections to the proposed pipeline right of way, to file their objections in this office. Any claim or objection must be filed not later than 30 days from the date of this notice, with evidence that a copy thereof has been served on Western Slope Gas Company. Assertion of claim or objection must be filed with the Chief, Branch of Land Operations, Bureau of Land Management, Colorado State Office, Room 700, Colorado State Bank Building, 1600 Broadway, Denver, Colorado 80202.

EVERETT K. WEEDIN,
Chief, Branch of Land Operations.

[FR Doc.74–8044 Filed 4–8–74;8:45 am]

National Park Service

MINUTE MAN NATIONAL HISTORICAL PARK ADVISORY COMMISSION

Notice of Meeting

Notice is hereby given in accordance with the Federal Advisory Committee Act that a meeting of the Minute Man National Historical Park Advisory Commission will be held, commencing at 2:30 p.m., on Friday, April 26, 1974, at Park Headquarters on Route 2A, Lincoln, Massachusetts.

The Commission was established by Public Law 86–321 to advise the Secretary of the Interior on the development of Minute Man National Historical Park.

The members of the Advisory Commission are as follows:

Hon. F. Bradford Morse, Chairman, New York, New York.
Mr. James DeNormandie, Lincoln, Massachusetts.
Mr. Francis S. Moulton, Jr., Concord, Massachusetts.
Mr. Donald E. Nickerson, Lexington, Massachusetts.
Mrs. Katharine S. White, Lincoln, Massachusetts.

The matters to be discussed at this meeting will be the effects of reorganization on Minute Man National Historical Park and the Advisory Commission. Reports will also be submitted by the Superintendent and Land Acquisition Officer on Park operations and land acquisition activities since the last Commission meeting.

The meeting will be open to the public. However, facilities and space for accommodating members of the public are limited, and it is expected that not more than 35 persons will be able to attend. Any member of the public may file with the Commission a written statement concerning the matters to be discussed.

Persons wishing further information concerning this meeting, or who wish to submit written statements may contact David L. Moffitt, Superintendent, Minute Man National Historical Park, at 617–259–9240. Minutes of the meeting will be available for public inspection four weeks after the meeting at the office of the Superintendent, Minute Man National Historical Park, Route 2A, Lincoln, Massachusetts.

Dated: March 29, 1974.

ROBERT M. LANDAU,
Liaison Officer, Advisory Commissions, National Park Service.

[FR Doc.74–8029 Filed 4–8–74;8:45 am]

NORTH ATLANTIC REGIONAL ADVISORY COMMITTEE

Notice of Establishment

This notice is published in accordance with the provisions of section 9(a)(2) of the Federal Advisory Committee Act (Public Law 92–463), and advises of the establishment of the North Atlantic Regional Advisory Committee. The charter for the committee containing information prescribed by section 9(c) of Public Law 92–463 is published below.

CHARTER

NORTH ATLANTIC REGIONAL ADVISORY COMMITTEE

1. The official designation of the committee is the North Atlantic Regional Advisory Committee.

2. The objective of the committee is to advise the Regional Director, North Atlantic Region, National Park Service, on programs, policies, and such other matters as may be referred to it by the Regional Director, North Atlantic Region.

In view of the goals and purposes of the committee, it will be expected to continue beyond the foreseeable future. However, its continuation will be subject to biennial review and renewal as required by Section 14 of Public Law 92–463.

3. The committee files its reports and minutes with the Regional Director, North Atlantic Region, National Park Service, 150 Causeway Street, Boston, Massachusetts 02114.

4. Support for the committee is provided by the National Park Service, Department of the Interior.

5. The duties of the committee are solely advisory and are as stated in paragraph 2 above.

6. The estimated annual operating costs for the committee are $6,000, and involve approximately one-half man-year of time.

7. The committee meets approximately three times a year.

8. The committee will terminate on December 31, 1975, unless prior to that date renewal action is taken as described in paragraph 2 above.

9. The committee's membership is composed of persons who have a connection with the North Atlantic Region of the National Park Service, either by virtue of residence, professional, or specific interest. Members of the committee should have backgrounds in parks and recreation, conservation, or related scientific disciplines.

10. The committee is composed of nine members, each of whom is appointed on an annual basis. However, in order to assure continuity of interests and expertise, persons may be designated as eligible for automatic reappointment so that they may serve three consecutive one-year terms. Reappointment action on persons so designated are taken automatically in the absence of a contrary direction from the Secretary of the Interior.

11. The Chairman is elected annually by the members of the committee.

12. Establishment of the committee is authorized by the provisions of Public Law 91–383. The committee is necessary in connection with the performance of duties imposed on the Department by law, by the Act of August 25, 1916 (16 U.S.C. 1, *et seq.*), as amended and supplemented, the Act of August 21, 1931 (16 U.S.C. 461, *et seq.*), and other statutes related to the administration of the National Park Service.

The Secretary of the Interior has made a written determination that creation of this advisory committee is in the public interest. The committee is established effective May 9, 1974.

Additional information regarding the North Atlantic Regional Advisory Committee may be obtained from Robert M. Landau, National Park Service, Department of the Interior, Washington, D.C. 20240 (telephone: 202/343–8953).

Dated: March 28, 1974.

ROBERT M. LANDAU,
Liaison Officer, Advisory Commissions, National Park Service.

[FR Doc.74–8073 Filed 4–8–74;8:45 am]

ROCKY MOUNTAIN REGIONAL ADVISORY COMMITTEE

Notice of Establishment

This notice is published in accordance with the provisions of section 9(a)(2) of the Federal Advisory Committee Act (Public Law 92–463), and advises of the establishment of the Rocky Mountain Regional Advisory Committee. The charter for the committee containing information prescribed by section 9(c) of Public Law 92–463 is published below.

CHARTER

ROCKY MOUNTAIN REGIONAL ADVISORY COMMITTEE

1. The official designation of the committee is the Rocky Mountain Regional Advisory Committee.

2. The objective of the committee is to advise the Regional Director, Rocky Mountain Region, National Park Service, on programs, policies, and such other matters as may be referred to it by the Regional Director, Rocky Mountain Region.

In view of the goals and purposes of the committee, it will be expected to continue beyond the foreseeable future. However, its continuation will be subject to biennial review and renewal as required by Section 14 of Public Law 92–463.

3. The committee files its reports and minutes with the Regional Director, Rocky Mountain Region, National Park Service, P.O. Box 25287, Denver, Colorado 80225.

4. Support for the committee is provided by the National Park Service, Department of the Interior.

5. The duties of the committee are solely advisory and are as stated in paragraph 2 above.

6. The estimated annual operating costs for the committee are $7,000, and involve approximately one-half man-year of time.

7. The committee meets approximately three times a year.

8. The committee will terminate on December 31, 1975, unless prior to that date renewal action is taken as described in paragraph 2 above.

9. The committee's membership is composed of persons who have a connection with the Rocky Mountain Region of the National Park Service, either by virtue of residence, professional, or specific interest. Members on the committee should have backgrounds in parks and recreation, conservation, or related scientific disciplines.

10. The committee is composed of nine members, each of whom is appointed on an annual basis. However, in order to assure continuity of interests and expertise, persons may be designated as eligible for automatic reappointment so that they may serve three consecutive one-year terms. Reappointment action on persons so designated are taken automatically in the absence of a contrary direction from the Secretary of the Interior.

11. The Chairman is elected annually by the members of the committee.

12. Establishment of the committee is authorized by the provisions of Public Law 91–383. The committee is necessary in connection with the performance of duties imposed on the Department by law, by the Act of August 25, 1916 (16 U.S.C. 1, *et seq.*), as amended and supplemented, the Act of August 21, 1931 (16 U.S.C. 461, *et seq.*), and other statutes related to the administration of the National Park Service.

The Secretary of the Interior has made a written determination that creation of this advisory committee is in the public interest. The committee is established effective on May 9, 1974.

Additional information regarding the Rocky Mountain Regional Advisory Committee may be obtained from Robert M. Landau, National Park Service, Department of the Interior, Washington, D.C. 20240 (telephone: 202/343–8953).

Dated: March 28, 1974.

ROBERT M. LANDAU,
Liaison Officer, Advisory Commissions, National Park Service.

[FR Doc.74–8074 Filed 4–8–74;8:45 am]

SECRETARY'S ADVISORY BOARD ON NATIONAL PARKS, HISTORIC SITES, BUILDINGS AND MONUMENTS

Notice of Meeting

Notice is hereby given in accordance with the Federal Advisory Committee Act that meetings of the Advisory Board on National Parks, Historic Sites, Buildings and Monuments will be held on April 22, 23 and 24, at the Department of the Interior, 18th and C Streets NW., Washington, D.C.

The purpose of the Advisory Board is to advise the Secretary of the Interior on matters relating to the National Park System, and the Administration of the Historic Sites Act of 1935.

The members of the Advisory Board are as follows:

Dr. Melvin M. Payne (Chairman), Washington, D.C.
Mrs. Lyndon B. Johnson (Vice Chairman), Stonewall, Texas
Mr. Peter C. Murphy, Jr. (Secretary), Springfield, Oregon
Hon. E. Y. Berry, Rapid City, South Dakota
Laurence W. Lane, Jr., Menlo Park, California
Dr. A. Starker Leopold, Berkeley, California
Mr. Linden C. Pettys, Ludington, Michigan
Mr. Steven Rose, Arcadia, California
Capt. Walter M. Schirra, Jr., Engelwood, Colorado
Dr. Douglas W. Schwartz, Santa Fe, New Mexico
Dr. William G. Shade, Bethlehem, Pennsylvania

Meetings will be conducted in different locations as follows:

April 22. 9 a.m., Room 5160. The Advisory Board will meet on April 22 in regard to administrative matters pertaining to the Board and to hear reports on several topics, including the Land and Water Conservation Fund, Nationwide Outdoor Recreation Plan, Regional Advisory Committees, National Park Service-wide science program, regional planning, backcountry management, campsite reservation system. Volunteers-in-Parks program, historic preservation in the parks and the Historic American Buildings Survey. This session is open to the public.

April 23. The Board will meet in committee sessions for the entire day. At 9 a.m., North Penthouse, Room 8068, the Natural Areas Committee will meet to hear reports on natural history theme studies, and shall consider 60 natural areas as potential additions to the National Registry of Natural Landmarks. This meeting will be open to the public.

At 9 a.m., Room 5160, the Historical Areas Committee will meet to consider reports on two legislative proposals and to hear reports on various studies, including a part of the subtheme "Political and Military Affairs 1828–1860," a special study of Speedwell Village in Morristown, New Jersey, and a reevaluation of Old Pioneer Hall at Iowa Wesleyan College, Mt. Pleasant, Iowa, under the subtheme "Education." This meeting will be open to the public.

April 24. Room 5160, commencing at 9 a.m. the Advisory Board shall be reconvened to receive reports from the committee meetings. The meeting will be an executive session in order for the Advisory Board to formulate its comments and recommendations. This meeting will be closed to the public.

The meeting will be open to the public only as indicated above. The Secretary of Interior has made a determination in accordance with section 10(d) of the Federal Advisory Committee Act that the portion of the meeting to be closed will involve matters exempt from public disclosure under the provisions of 5 U.S.C. 522(b).

Any member of the public may file with the Advisory Board a statement in writing concerning any of the matters to be discussed. In regard to the meeting on April 22, facilities and space to accommodate members of the public are limited and it is expected that not more than 35 people will be able to attend. Persons desiring further information concerning this meeting or who wish to file written statements, may contact Miss Shirley Luikens, National Park Service, Washington, D.C., at 202–343–2012.

Minutes of the meeting will be available for public inspection 8 to 10 weeks after the meeting in Room 3123, Interior Building, Washington, D.C.

Dated: March 28, 1974.

ROBERT M. LANDAU,
Liaison Officer, Advisory Commissions, National Park Service.

[FR Doc.74–8072 Filed 4–8–74;8:45 am]

DEPARTMENT OF AGRICULTURE

Forest Service

DEADWOOD PLANNING UNIT

Notice of Availability of Final 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 final environmental statement for Deadwood Planning Unit, Boise National Forest, Idaho. The Forest Service report number is USDA–FS–FES (Adm) R4–74–4.

The environmental statement identifies and evaluates the probable effects of the land use plan for the Deadwood Planning Unit on the Boise National Forest in south-central Idaho. The purpose of the plan is to allocate National Forest lands within the unit to specific resource uses and activities; establish management objectives; document management direction, decisions, and necessary coordination between resource uses and activities; and provide for the protection, use, and development of the various resources within the planning unit. The plan provides for minimization of adverse effects and maximization of desirable effects. Minor adverse effects from some development activities will be temporary stream sedimentation and short periods of air pollution. Recreation opportunities will receive minor modification with opportunities for solitude slightly reduced and opportunities for developed type recreation increased. The mix of uses provided for includes moderate levels of consumptive resource uses. Significant areas will remain undeveloped with options for future management remaining open.

This environmental statement was transmitted to CEQ on March 29, 1974.

Copies are available for inspection during regular working hours at the following locations:

Regional Planning Office, USDA, Forest Service, Federal Building, Room 4403, 324 25th Street, Ogden, Utah 84401.

USDA, Forest Service, South Agriculture Building, Room 3230, 12th Street and Independence Avenue, SW., Washington, D.C. 20250.

Forest Supervisor, Boise National Forest, 1075 Park Boulevard, Boise, Idaho 83706.

District Forest Ranger, Lowman Ranger District, 517 North Jefferson, Boise, Idaho 83702.

A limited number of single copies are available upon request to Forest Supervisor Edward C. Maw, Boise National Forest, 1075 Park Boulevard, Boise, Idaho 83706.

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 environmental statement above when ordering.

Copies of the environmental statement have been sent to various Federal, State, and local agencies as outlined in the CEQ guidelines.

Dated: March 29, 1974.

VERN HAMRE,
Regional Forester.

[FR Doc.74–8053 Filed 4–8–74;8:45 am]

DEER CREEKS PLANNING UNIT

Availability of Final 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 final environmental statement for Deer Creeks Planning Unit, Forest Service Report No. USDA–FS–FES (Adm) 74–36.

The environmental statement concerns a proposed action to implement a revised Multiple Use Plan for the Deer Creeks Planning Unit, Big Timber Ranger District, Gallatin National Forest, in Sweet Grass County, Montana. Sixty-seven thousand eight hundred acres are affected, of which nine hundred eighty-two are in private ownership. This plan will provide the District Ranger with a detailed management prescription for the Unit.

This final environmental statement was filed with CEQ on April 1, 1974.

Copies are available for inspection during regular working hours at the following locations:

USDA Forest Service,
South Agriculture Bldg., Room 3231,
12th St. and Independence Ave., SW.,
Washington, DC 20250.

USDA Forest Service,
Room 3077,
Federal Building,
Missoula, MT 59801.

USDA Forest Service
Gallatin National Forest
Federal Building
Bozeman, MT 59715

A limited number of single copies are available upon request to Forest Supervisor Lewis E. Hawkes, Gallatin National Forest, Federal Building, Bozeman, MT 59715.

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 environmental statement above when ordering.

Copies of the environmental statement have been sent to various Federal, state, and local agencies as outlined in the CEQ guidelines.

WARREN G. DAVIES,
Acting Regional Forester,
Northern Region, Forest Service.

APRIL 1, 1974.

[FR Doc.74–8054 Filed 4–8–74;8:45 am]

SANTA FE NATIONAL FOREST LIVESTOCK ADVISORY BOARD

Notice of Meeting

The Santa Fe National Forest Livestock Advisory Board will meet at 1 p.m., May 3, 1974, at the First National Bank Cordova Office, 701 Camino de los Marquez, Santa Fe, New Mexico.

The purpose of this meeting is to discuss the Forest transfer policy, predator control problems, Wilderness permit system, and a review of select permittee and association problems.

The meeting will be open to the public. Written statements may be filed with the committee before or after the meeting.

CHRISTOBAL B. ZAMORA,
Forest Supervisor.

MARCH 29, 1974.

[FR Doc.74–8049 Filed 4–8–74;8:45 am]

NEVADA, HERBICIDE CONTROL OF SAGEBRUSH AND WYETHIA

Availability of Final 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 final environmental statement for Herbicide Control of Sagebrush and Wyethia in Nevada. The Forest Service report number is USDA–FS–FES (Adm) R4–74–6.

The environmental statement concerns a proposed practice of applying the herbicide 2,4-dichlorophenoxyacetic acid (2,4-D) each year to approximately 5,000 acres of land covered by dense stands of sagebrush and wyethia on National Forests in Nevada.

This final environmental statement was filed with CEQ on April 1, 1974.

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

USDA, Forest Service
Federal Bldg., Room 5022
324–25th Street
Ogden, Utah 84401

USDA, Forest Service
Humboldt National Forest
976 Mountain City Highway
Elko, Nevada 89801

USDA, Forest Service
Toiyabe National Forest
111 North Virginia—Room 601
Reno, Nevada 89501

A limited number of single copies are available upon request to Vern Hamre, Regional Forester, USDA, Forest Service, Federal Building, 324–25th Street, Ogden, Utah 84401.

Copies are also available from the National Technical Information Service,

U.S. Department of Commerce, Springfield, Virginia 22151. Please refer to name and number of the statement above when ordering.

Copies of the environmental statement have been sent to various Federal, State, and local agencies as outlined in the CEQ Guidelines.

Dated: April 1, 1974.

CHARLES P. TEAGUE, Jr.,
Acting Regional Forester.

[FR Doc.74-8056 Filed 4-8-74;8:45 am]

NEVADA, PINYON-JUNIPER CHAINING PROGRAM ON NATIONAL FOREST LANDS

Availability of Final 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 final environmental statement for Chaining Pinyon-Juniper on National Forest Lands in the State of Nevada. The Forest Service report number is USDA-FS-FES (Adm) R4-74-5.

The environmental statement concerns a proposed practice of chaining over pinyon-juniper trees each year on approximately 5,000 to 6,000 acres of land covered by dense stands and/or spreading stands of pinyon-juniper trees on National Forests in Nevada.

This final environmental statement was filed with CEQ April 1, 1974.

Copies are available for inspection during working hours at the following locations:

USDA, Forest Service
South Agriculture Bldg., Room 3230
12th St. & Independence Ave., SW
Washington, D.C. 20250

USDA, Forest Service
Federal Bldg., Room 5022
324-25th Street
Ogden, Utah 84401

USDA, Forest Service
Humboldt National Forest
976 Mountain City Highway
Elko, Nevada 89801

USDA, Forest Service
Toiyabe National Forest
111 North Virginia—Room 601
Reno, Nevada 89501

A limited number of single copies are available upon request to Vern Hamre, Regional Forester, USDA, Forest Service, Federal Building, 325-25th Street, Ogden, Utah 84401.

Copies are also available from the National Technical Information Service, U.S. Department of Commerce, Springfield, Virginia 22151. Please refer to name and number of the statement above when ordering.

Copies of the environmental statement have been sent to various Federal, State, and local agencies as outlined in CEQ Guidelines.

Dated: April 1, 1974.

CHARLES P. TEAGUE, Jr.,
Acting Regional Forester.

[FR Doc.74-8055 Filed 4-8-74;8:45 am]

Office of the Secretary

OTTAWA NATIONAL FOREST MULTIPLE USE ADVISORY COMMITTEE

Two-Year Renewal

The Assistant Secretary for Conservation, Research and Education has renewed the Ottawa National Forest Multiple Use Advisory Committee for a two-year period.

This is a local Forest Service committee which will advise the Forest Supervisor of the Ottawa National Forest in Ironwood, Michigan, on matters affecting the administration of the National Forest.

Membership will represent a cross section of interested and qualified citizens.

The Assistant Secretary has determined that continuation of this committee is in the public interest in connection with the duties imposed on the Department by law. This notice is given in compliance with Public Law 92-463.

Dated: April 2, 1974.

JOSEPH R. WRIGHT, Jr.,
Assistant Secretary for Administration.

[FR Doc.74-8130 Filed 4-8-74;8:45 am]

Soil Conservation Service

HIGINBOTHAM BROOK WATERSHED PROJECT, NEW YORK

Notice of Negative Declaration

Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, and Part 1500.6e of the Council on Environmental Quality Guidelines issued on August 1, 1973, the Soil Conservation Service, U.S. Department of Agriculture, gives notice that an environmental statement is not being prepared for the Higinbotham Brook Watershed Project, Madison County, New York.

The environmental assessment of this federal action indicates that the project will not create significant adverse local, regional, or national impacts on the environment and that no significant controversy is associated with the project. As a result of these findings, Mr. A. C. Addison, State Conservationist, Soil Conservation Service, USDA, Midtown Plaza-Room 400, 700 East Water Street, Syracuse, New York 13210, has determined that the preparation and review of an environmental statement is not needed for this project.

The project concerns a plan for watershed protection and flood prevention. The planned works of improvement include conservation land treatment supplemented by one floodwater retarding structure.

The environmental assessment file is available for inspection during regular working hours at the following location:

Soil Conservation Service, USDA, Midtown Plaza-Room 400, 700 East Water Street, Syracuse, New York 13210

No administrative action on implementation of the proposal will be taken until 15 days after the date of this notice.

(Catalog of Federal Domestic Assistance Program No. 10.904, National Archives Reference Services.)

WILLIAM B. DAVEY,
Deputy Administrator for Water Resources, Soil Conservation Service.

MARCH 29, 1974.

[FR Doc.74-8106 Filed 4-8-74;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[FAP 3A2880]

KALAMAZOO SPICE EXTRACTION CO.

Notice of Filing of Petition for Food Additive

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409 (b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 3A2880) has been filed by Kalamazoo Spice Extraction Co., P.O. Box 511, Kalamazoo, MI 49005, proposing that the food additive regulations (21 CFR Part 121) be amended to provide for the safe use of: (1) A modified hop extract using one or more of the following solvents; methylene chloride, ethylene dichloride, trichloroethylene, hexane, methyl alcohol, and isopropyl alcohol; and calcium chloride or magnesium chloride; (2) a modified hop extract processed with the following substances in addition to those listed as in item 1 above; ethyl alcohol, palladium as a catalyst, and peracetic acid as an oxidizing agent; (3) a modified hop extract processed with the substances as listed in item 2 above, and using sodium borohydride in alkaline aqueous methyl alcohol as a reducing agent; and (4) a nonisomerizable nonvolatile hop resin prepared by extracting hop acids from a solvent solution of hop resin using one or more of the following solvents; methylene chloride, isopropyl alcohol, trichloroethylene, ethylene dichloride, methyl alcohol, and hexane.

The environmental impact analysis report and other relevant material have been reviewed, and it has been determined that the proposed use of the additive will not have a significant environmental impact. Copies of the environmental impact analysis report may be seen in the office of the Assistant Commissioner for Public Affairs, Rm. 15B-42 or the office of the Hearing Clerk, Food and Drug Administration, Rm. 6-86, 5600 Fishers Lane, Rockville, MD 20852, during working hours, Monday through Friday.

Dated: April 2, 1974.

VIRGIL O. WODICKA,
Director, Bureau of Foods.

[FR Doc.74-8065 Filed 4-8-74;8:45 am]

[FAP 4B2982]

CALGON CORP.

Notice of Filing of Petition for Food Additive

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409

(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 4B2982) has been filed by Calgon Corp., Calgon Center, Box 1346, Pittsburgh, PA 15230, proposing that § 121.2526 (21 CFR 121.2526) of the food additive regulations be amended to change the viscosity limitation for diallyldiethylammonium chloride polymer with acrylamide and diallyldimethylammonium chloride from a viscosity of 22–25 centipoises at 22° C. to a viscosity of greater than 22 centipoises at 22° C.

The environmental impact analysis report and other relevant material have been reviewed, and it has been determined that the proposed use of the additive will not have a significant environmental impact. Copies of the environmental impact analysis report may be seen in the office of the Assistant Commissioner for Public Affairs, Rm. 15B–42 or the office of the Hearing Clerk, Food and Drug Administration, Rm. 6–86, 5600 Fishers Lane, Rockville, MD 20852, during working hours, Monday through Friday.

Dated: April 2, 1974.

VIRGIL O. WODICKA,
Director, Bureau of Foods.

[FR Doc.74–8064 Filed 4–8–74;8:45 am]

DEPARTMENT OF TRANSPORTATION

Hazardous Materials Regulations Board

SPECIAL PERMITS ISSUED

Pursuant to Docket No. HM–1, Rule-making procedures of the Hazardous Materials Regulations Board, issued May 22, 1968 (33 FR 8277) 49 CFR 170, following is a list of new DOT special permits upon which Board action was completed during March 1974:

Special permit No.	Issued to—Subject	Mode or modes of transportation
6854	The Kaiser Trading Company, Oakland, California, to ship Ammonium nitrate in non-DOT Specification plastic bags which are equivalent to DOT Specification 44P.	Cargo vessel, Rail freight, Highway.
6856	Shippers registered with this Board to ship sulfuric acid or hydrogen peroxide in DOT Specification 15A, 15B and 15C wooden boxes having inside 1-quart bottles made of FEP fluorocarbon or polyethylene.	Highway.
6859	Shippers registered with this Board to ship Nitrogen in non-DOT Specification non-refillable steel spherical pressure vessel having a 9 cubic inch capacity.	Highway.
6861	Shippers registered with this Board to ship a slurry high explosive in a 20-gallon capacity DOT Specification 21P fiber drum with an all-steel top head and having a DOT Specification 2U liner.	Highway.
6864	Shippers registered with this Board to ship Rum and certain other flammable liquids in non-DOT Specification stainless steel portable tanks.	Cargo vessel, Highway.
6866	General Electric and the U.S. Department of Defense, Washington, D.C., to make one shipment of a non-flammable compressed gas in a non-DOT Specification cylinder.	Cargo-only aircraft Highway.
6867	Shippers registered with this Board to ship nonviscous flammable cement solutions in DOT Specification 57 metal portable tanks.	Highway, Rail freight.
6868	Shippers registered with this Board to ship sulfuric acid of a specified concentration in DOT Specification 105A300W tank cars in exclusive use service.	Rail freight.
6869	Silver Wheel Freightlines, Inc., Portland, Oregon to transport specially packaged Class B poisonous liquids or solids in the same transport vehicle with foodstuffs or feeds.	Highway.
6872	Monsanto Company, St. Louis, Missouri, to ship Chloracetyl chloride in DOT Specification 103C–W, 103AW and 103DW tank cars.	Rail freight.

ALAN I. ROBERTS,
Secretary.

[FR Doc.74–8068 Filed 4–8–74;8:45 am]

ACTION

NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL

Notice of Meeting

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Public Law 92–463), announcement is made of the following Council meeting:

Name: National Voluntary Service Advisory Council.

Date: April 17, 1974.

Place: ACTION Regional Office, Prudential Plaza Building, 1050 17th Street, Denver, Colorado.

Time: 8:30 a.m.

Purpose of meeting: At the initial meeting of February 8 and 9, 1974, the Council formed itself into three committees—International Programs, Domestic Programs, and New Programs Development. The business of the agenda will be discussion of the direction and scope of each committee as proposed by them and to be approved by the Council as a whole.

Meeting of the Advisory Council is open to the public. Public attendance depending on available space, may be limited to those persons who have notified the Advisory Council Executive Officer in writing at least five days prior to the meeting, of their intention to attend the April 17 meeting.

Any member of the public may file a written statement with the Council before, during, or after the meeting. To the extent that time permits, the Council Executive Officer may allow public presentation of oral statements at the meeting.

All communications regarding this Advisory Council should be addressed to Mr. John F. Burgess, Advisory Council Executive Officer, 806 Connecticut Ave., NW., Washington, D.C. 20525.

JOHN F. BURGESS,
Assistant to the Director.

[FR Doc.74–8076 Filed 4–8–74;8:45 am]

ATOMIC ENERGY COMMISSION

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS—SUBCOMMITTEE ON GENERAL ELECTRIC WATER REACTORS

Notice of Meeting

APRIL 5, 1974.

In accordance with the purposes of sections 29 and 182 b. of the Atomic Energy Act (42 U.S.C. 2039, 2232 b.), the Advisory Committee on Reactor Safeguards' Subcommittee on General Electric Water Reactors will hold a meeting on the morning of April 25, 1974 in Room 1062, 1717 H Street, NW., Washington, D.C. The subject scheduled for discussion is the General Electric Thermal Analysis Basis (GETAB).

The Subcommittee is meeting with their consultants and Regulatory Staff participants for preliminary discussion that will eventually lead to the formulation of recommendations to the full ACRS regarding the above subject.

I have determined, in accordance with subsection 10(d) of Public Law 92–463, that the meeting will consist of an exchange of opinions and formulation of recommendations, the discussion of which would fall within exemption (5) of 5 U.S.C. 552(b) and in addition a privileged document will be discussed which falls within exemption (4) of 5 U.S.C. 552(b). It is essential to close this meeting to protect such privileged information and protect the free interchange of internal views and to avoid undue interference with agency or Committee operation.

JOHN C. RYAN,
Advisory Committee Management Officer.

[FR Doc.74–8258 Filed 4–8–74;9:43 am]

[Dockets Nos. 50–450, 50–451]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS—SUBCOMMITTEE ON SUMMIT POWER STATION

Notice of Meeting

APRIL 5, 1974.

In accordance with the purposes of sections 29 and 182 b. of the Atomic Energy Act (42 U.S.C. 2039, 2232 b.), the Advisory Committee on Reactor Safeguards' Subcommittee on the Summit Power Station, Units 1 and 2, will hold a meeting on April 23, 1974 in Room 229 of the O'Hare Travelodge, 3003 Manheim Road, Des Plaines, Illinois 60018. The purpose of the meeting will be to review the application of the Delmarva Power and Light Company for a permit to construct Units 1 and 2, which are located in New Castle County, Delaware, about 15 miles southwest of Wilmington, Delaware.

The following constitutes that portion of the Subcommittee's agenda for the above meeting which will be open to the public:

Tuesday, April 23, 1974, 9 a.m.–5 p.m. Review of the application for a construction permit (presentations by the AEC Regulatory Staff and the Delmarva Power and Light Company and its consultants, and discussions with these groups).

In connection with the above agenda item, the Subcommittee will hold an executive session at 8:30 a.m. which will involve a discussion of its preliminary views, and an executive session at the close of the meeting, consisting of an exchange of opinions of the Subcommittee members and internal deliberations and formulation of recommendations to the ACRS. In addition, the Subcommittee may hold a closed session with the Regulatory Staff and Applicant to discuss privileged information concerning industrial security or other matters properly considered to be of a proprietary nature.

I have determined, in accordance with subsection 10(d) of Public Law 92–463, that the executive sessions 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 documents and information which are privileged and fall 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, including provisions to carry over an incompleted open session from one day to the next.

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 item may do so by mailing 25 copies thereof, postmarked no later than April 16, 1974, 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 application for a construction permit and related documents which are on file and available for public inspection at the Atomic Energy Commission's Public Document Room, 1717 H Street, N.W., Washington, D.C. 20545, and the Newark Free Library, Elkton and Delaware Roads, Newark, Delaware 19711.

(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 statement 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 no more than 30 minutes at an appropriate time, chosen by the Chairman of the Subcommittee, between the hours of 1:30 p.m. and 3:30 p.m. on April 23, 1974.

(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 April 22, 1974, to the Office of the Executive Secretary of the Committee (telephone 301–973–5651) between 8:30 a.m. and 5:15 p.m., e.d.t.

(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) The use of still, motion picture, and television cameras, the physical installation and presence of which will not interfere with the conduct of the meeting, will be permitted both before and after the meeting and during any recess. The use of such equipment will not, however, be allowed while the meeting is in session.

(h) Persons desiring to attend portions of the meeting where proprietary information is to be discussed may do so by providing to the Executive Secretary, Advisory Committee on Reactor Safeguards, 1717 H Street, NW., Washington, D.C. 20545, 7 days prior to the meeting, a copy of an executed agreement with the owner of the proprietary information to safeguard this material.

(i) A copy of the transcript of the open portion of the meeting will be available for inspection on or after April 26, 1974 at the Atomic Energy Commission's Public Document Room, 1717 H Street, NW., Washington, D.C. 20545 and within nine days at the Newark Free Library, Elkton and Delaware Roads, Newark, Delaware 19711. Copies of the transcript may be reproduced in the Public Document Room or may be obtained from Ace Federal Reporters, Inc., 415 Second Street, NE., Washington, D.C. 20002 (telephone 202–547–6222) upon payment of appropriate charges.

(j) On request, copies of the Minutes of the meeting will be made available for inspection at the Atomic Energy Commission Public Document Room, 1717 H Street, NW., Washington, D.C. 20545 after June 24, 1974. Copies may be obtained upon payment of appropriate charges.

JOHN C. RYAN,
Advisory Committee Management Officer.

[FR Doc.74–8259 Filed 4–8–74;9:43 am]

[Docket Nos. 50–440, 50–441]

CLEVELAND ELECTRIC ILLUMINATING CO. ET AL.

Availability of Final Environmental Statement for Perry Nuclear Power Plant, Units 1 and 2

Pursuant to the National Environmental Policy Act of 1969 and the United States Atomic Energy Commission's regulations in Appendix D to 10 CFR Part 50, notice is hereby given that the Final Environmental Statement prepared by the Commission's Directorate of Licensing, related to the proposed Perry Nuclear Power Plant, Units 1 and 2, to be constructed by Cleveland Electric Illuminating Company, et al. in Lake County, Ohio is available for inspection by the public in the Commission's Public Document Room at 1717 H Street, NW, Washington, D.C. and in the Perry Public Library, 3753 Main Street, Perry Township, Ohio 44081. The Final Environmental Statement is also being made available at the Office of the Governor, State Clearinghouse, 62 East Broad Street—2nd Floor, Columbus, Ohio 43215.

The notice of availability of the Draft Environmental Statement for the Perry Nuclear Power Plant, Units 1 and 2, and requests for comments from interested persons was published in the FEDERAL REGISTER on November 21, 1973 (38 FR 32157). The comments received from Federal, State, local and interested members of the public have been included as appendices to the Final Environmental Statement.

Single copies of the Final Environmental Statement may be obtained by writing the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Maryland, this 4th day of April 1974.

For the Atomic Energy Commission.

WM. H. REGAN, Jr.,
Chief, Environmental Projects Branch #4, Directorate of Licensing.

[FR Doc.74–8101 Filed 4–8–74;8:45 am]

[Docket Nos. 50–413; 50–414]

DUKE POWER CO.

Notice of Continuation of Evidentiary Hearing

In the matter of Duke Power Company (Catawba Nuclear Station Units 1 and 2), Docket Nos. 50–413, 50–414.

Take notice that further evidentiary hearings will be conducted in the above-captioned proceeding, to begin at 1:30 p.m. local time, on Monday, April 22, 1974, at the Holiday Inn, Highway No. 21, Anderson Road in Rock Hill, South Carolina. The public is invited to attend the hearing, which will deal with the remaining issues in this proceeding, including the radiological safety and health contentions which have been admitted as issues in the case.

It is so ordered.

Issued at Washington, D.C., this 2d day of April 1974.

ATOMIC SAFETY AND LICENSING BOARD,
MAX D. PAGLIN,
Chairman.

[FR Doc.74–8050 Filed 4–8–74;8:45 am]

[Docket Nos. 50-413—50-414]

DUKE POWER CO.

Further Prehearing Conference

In the matter of Duke Power Company (Catawba Nuclear Station Units 1 and 2).

Notice is hereby given that, pursuant to the Memorandum and Order dated March 21, 1974, issued herein by the Atomic Safety and Licensing Board established by the Commission for this proceeding, a further Prehearing Conference will be held on Tuesday, April 16, 1974 at 10:00 a.m., local time, in the V.I.P. Room, Holiday Inn-Downtown, 900 North Tryon Street, Charlotte, North Carolina 28206.

The further Prehearing Conference will deal with the matters set forth in the above-mentioned March 21 Order, looking toward the orderly and expeditious conduct of the hearing on the remaining issues in this proceeding.

Issued at Washington, D.C., this 2d day of April 1974.

It is so ordered.

ATOMIC SAFETY AND LICENSING BOARD,
MAX D. PAGLIN,
Chairman.

[FR Doc.74-8051 Filed 4-8-74;8:45 am]

NIAGARA MOHAWK POWER CORP.

Establishment of Atomic Safety and Licensing Board To Rule on Petitions To Intervene

Pursuant to delegation by the Commission dated December 29, 1972, published in the FEDERAL REGISTER (27 FR 38710) and sections 2.105, 2.700, 2.702, 2.714, 2.714a, 2.717 and 2.721 of the Commission's regulations, all as amended, an Atomic Safety and Licensing Board is being established to rule on petitions and/or requests for leave to intervene in the following proceeding:

Niagara Mohawk Power Corp.
(Nine Mile Point, Unit 1)
Docket No. 50-220
Provisional Operating License
No. DPR-17

This action is in reference to the "Facility Operating License; Proposed Changes to Technical Specifications of Facility Operating License" published by the Commission in the above matter (39 FR 5528).

The members of the Board are:

Daniel M. Head, Esq., Chairman
Sidney G. Kingsley, Esq., Member
Mr. Frederick J. Shon, Member

Dated at Bethesda, Md., this 3d day of April 1974.

ATOMIC SAFETY AND LICENSING BOARD PANEL,
NATHANIEL H. GOODRICH,
Chairman.

[FR Doc.74-8104 Filed 4-8-74;8:45 am]

QUALITY ASSURANCE PROGRAM REQUIREMENTS FOR FUEL REPROCESSING PLANTS AND PLUTONIUM PROCESSING AND FUEL FABRICATION PLANTS

Notice of Issuance and Availability of Regulatory Guides

The Atomic Energy Commission has issued two new guides in its Regulatory Guide series. The Regulatory Guide series has been developed to describe and make available to the public methods acceptable to the AEC Regulatory staff of implementing specific parts of the Commission's regulations and, in some cases, to delineate techniques used by the staff in evaluating specific problems or postulated accidents and to provide guidance to applicants concerning certain of the information needed by the staff in its review of applications for permits and licenses.

The new guides are in Division 3, "Fuels and Materials Facilities Guides." Regulatory Guide 3.3 (Revision 1), "Quality Assurance Program Requirements for Fuel Reprocessing Plants and for Plutonium Processing and Fuel Fabrication Plants," notes the acceptability of American National Standard N45.2-1971 for plutonium processing and fuel fabrication plants, as well as for fuel reprocessing plants for which its acceptability had been previously noted. Regulatory Guide 3.21, "Quality Assurance Requirements for Protective Coatings Applied to Fuel Reprocessing Plants and to Plutonium Processing and Fuel Fabrication Plants," notes that American National Standard N101.4-1972 is generally acceptable, with qualifications, for coatings applied to these plants.

Regulatory Guides are available for inspection at the Commission's Public Document Room, 1717 H Street NW, Washington, D.C. Comments and suggestions in connection with improvements in the guides are encouraged and should be sent to the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Chief, Public Proceedings Staff. Requests for single copies of issued guides (which may be reproduced) or for replacement on an automatic distribution list for single copies of future guides should be made in writing to the Director of Regulatory Standards, U.S. Atomic Energy Commission, Washington, D.C. 20545. Telephone requests cannot be accommodated.

Other Division 3 Regulatory Guides currently being developed include the following:

(1) General Design Guide for Process Building Ventilation Systems for Fuel Reprocessing Plants.
(2) General Fire Protection Guide for Fuel Reprocessing Plants.
(3) Standard Format and Content of License Applications for Fuel Reprocessing Plants.
(4) Standard Format and Content of License Applications for Plutonium Fuel Fabrication and Recovery Plants.
(5) Standard Format and Content of License Applications for Commercial Waste Burial Facilities.
(6) Protective Coatings (Paints) for Nuclear Plants.

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

Dated at Bethesda, Maryland, this 1st day of April 1974.

For the Atomic Energy Commission,

LESTER ROGERS,
Director of Regulatory Standards.

[FR Doc.74-8102 Filed 4-8-74;8:45 am]

SANDIA CORPORATION SITES

Trespassing on Commission Property

The notice concerning unauthorized entry into or upon the Sandia Corp. sites of the Atomic Energy Commission dated January 25, 1974, appearing at page 4127 of the FEDERAL REGISTER of February 1, 1974, 39 FR 4127 (FR Doc. 74-2671), is hereby amended as follows:

The NMPM Township and Range for addition 9935 is corrected to read "T.9.N., R.4.E.".

Dated at Germantown, Maryland this 3d day of April, 1974.

JOHN A. ERLEWINE,
General Manager.

[FR Doc.74-8103 Filed 4-8-74;8:45 am]

CIVIL AERONAUTICS BOARD

[Docket Nos. 26057, 26075; Order 74-4-4]

ALITALIA ET AL.

Order Approving Agreement

Issued under delegated authority, April 2, 1974.

By Order 73-11-34, November 8, 1973, the Board authorized United States and foreign-flag air carriers providing international scheduled air services to and from the United States to engage in discussions looking toward agreements on schedule adjustments, capacity limitations, and consolidation of operations in foreign air transportation.

Pursuant to that order, discussions have been held, *inter alia*, among air carriers of the United States and Italy which provide scheduled services between these two countries. Such discussions were first held on December 14, 1973 in Washington, D.C.[1] Further discussions were held on January 24, 1974.[2] As a result of the latter discussions, an agreement on capacity limitations in several United States-Italy city-pair markets has been reached, and was filed with the Board on March 18, 1974.

Under the agreement, the carriers propose to substitute narrow-body aircraft for wide-body aircraft, and revise their

[1] An agreement reached as a result of these discussions was approved by Order 74-2-84, February 21, 1974, and terminated on March 31, 1974.

[2] A transcript of the meeting has been filed with the Board in Dockets 26057 and 26075.

peak scheduled frequency levels per week in nonstop and one-stop service between the U.S. and Italy during the summer period April 1, 1974 to October 31, 1974.

Specifically, in the New York-Rome market, Alitalia will reduce its peak summer (1973) nonstop round trip weekly frequencies from fourteen to twelve;[3] Pan round trip weekly schedules of seven nonstop flights, will substiute narrow-body aircraft for wide-body aircraft;[4] TWA, retaining its round trip weekly schedules of fourteen nonstop flights, will substitute narrow-body aircraft for wide-body aircraft on seven of the fourteen round trip weekly nonstop flights.[5]

In the New York-Milan market, Alitalia will maintain last summer's seven-weekly nonstop round trip frequencies performed with wide-body aircraft, and will discontinue four-weekly similar frequencies performed with narrow-body aircraft, thereby reducing its total of eleven such frequencies by four. In the Boston-Milan market, Alitalia, while maintaining last summer's four-weekly nonstop round trip frequencies, will substitute narrow-body aircraft for wide-body aircraft on two such schedules. In the Philadelphia-Rome/Milan markets, Alitalia will reduce last summer's weekly nonstop round trip frequencies from three to two. The agreement provides for no changes in the Boston-Rome and Chicago-Milan markets.[5a]

In addition to providing for the implementation on April 1, 1974, and termination on October 31, 1974, subject to prior Board approval, of the specified service alterations, the agreement includes the customary language relating to extra sections, substitution of equipment and uncontrollable cessation or curtailment of services.[6]

In addition to seeking approval of the agreement, the carriers request a waiver of the recent amendment to the Board's Procedural Regulations, PR 138, which would otherwise require 21 days for answers to the application. Also the carriers request an exemption pursuant to section 416(b) of the Federal Aviation Act of 1958, as amended, and all regulations enacted in pursuance thereof, to the extent necesary to permit implementation of the agreement without 10 days' prior notice to the Postmaster General.

No comments in opposition to Agreement CAB 24164–A1 have been filed.

In support of their requests, the carriers state that the agreements provide for service reductions which are compelled by the shortage of fuel; that the Federal Energy Office has set the maximum potential supply of fuel available in the United States for international air services at 95% of 1972 levels; and that each of the three agreement carriers is experiencing shortages of fuel now, and anticipates continued shortages through the remaining 1974 period provided for in this agreement.[7] The applicants state that the agreement provides for significant savings in fuel consumption;[8] for a better pattern of services for the traveling public than might result from uncoordinated cutbacks by insuring that each market will retain as much as is reasonably possible under the circumstances;[9] and for better adjustment of the reduced fuel utilization levels to the needs of the traveling public.

Despite the recent lifting on March 18, 1974 of the Arab oil embargo, the air transportation industry is still faced with a substantial shortage of fuel. As a result, Pan American, TWA, and Alitalia must cut back on the fuel consumption on international services. In order to meet the cutback levels, the carriers must make fuel-saving adjustments to their schedules. As repeatedly stated the Board is concerned that reduction in capacity solely as a result of unilateral schedule adjustments may result in cutbacks necessitated by the fuel situation in a manner which does not, under the circumstances, provide the best practicable service to the public. The Board believes that reductions in capacity pursuant to carrier agreements, which are carefully monitored by the Board, will help to provide the public with optimum service. Such agreements can provide the means by which available capacity is operated under schedules that provide the public with the most convenient service practicable under the circumstances, and, in the Board's view, will best serve the public interest.[10]

Based on the foregoing, it is concluded that the agreement (CAB 24164–A1) among Pan American, TWA, and Alitalia with respect to the scheduled service between the United States and Italy should be approved subject to certain conditions. The service proposed in this agreement reasonably satisfies the needs of the traveling public as well as saving large amounts of fuel. The United States-Italy market is characterized by a multiplicity of frequencies which have experienced low load factors in the past, and, under the agreement, are estimated by the carriers to result generally in substantial load factor increases.[11] Under these circumstances the traveling public will continue to receive a satisfactory frequency of service and the carrier will be a step closer toward reaching their available fuel levels.[12]

The Board has repeatedly stated that the transfer of freed capacity to nonagreement markets will not be tolerated.[13] Moreover, in accordance with our prior orders, and in order to effectively monitor the implementation of this agreement, jurisdiction will be retained, pursuant to section 412 of the Act, for the purpose of modifying, amending or revoking our approval of the agreement at any future date.[14] Furthermore, each party to the agreement will be required separately to report within 15 days after the end of each month any schedule changes in the U.S.-Italy markets during the term of the agreement (see Appendix A.)[15]

Consideration has been given to the implication of the proposed agreement on Pan American's and TWA's employees. For the reasons detailed at length in Order 73–12–32, December 7, 1973, which are equally applicable herein, it is concluded that the public interest does not require the imposition of any labor protective conditions.

In view of the imminence of the implementation date, and the short period within which the carriers were compelled to adjust schedules, the applicants' request for waiver of the recent amendment to the Board's Procedural Regulations, PR–138,[16] which would otherwise require 21 days for answers to the application, will be granted. However, the Board will receive any comments hereafter filed in this docket as part of its ongoing evaluation of the impact of the

[3] For the periods April 1–June 14, 1974, and September 16–October 31, 1974, Alitalia will operate only one B–747 daily.

[4] Pan American will also operate a daily B–747 one-stop (via Paris) each way under the agreement schedule in place of its current operation with a B–747 between New York and Paris, changing gauge to/from a B–707 between Paris and Rome.

[5] For the periods April 1–April 30, 1974, and October 1–October 31, 1974, TWA will operate only one B–747 daily.

[5a] The U.S. carriers provide no Boston/Chicago/Philadelphia-Milan, or Philadelphia-Rome nonstop service.

[6] See Order 74–2–84, *supra*.

[7] The carriers state that as a result of variations in fuel availability among the various suppliers, and in different localities, and in view of the fact that shortages exist on both sides of the Atlantic, actual operations may well be below the maximum levels set by the F.E.O.

[8] The carriers estimate that Pan American will save 210,000 gallons per week; TWA will save 234,900 gallons per week; and Alitalia will save 344,200 gallons per week.

[9] The carriers estimate the peak period seat load factors on nonstop flights will increase as a result of the agreements as follows: New York-Rome from 56% to 71%; New York-Milan, from 44% to 47%; Chicago-Milan, from 46% to 51%; Philadelphia-Rome from 34% to 48%; Philadelphia-Milan from 34% to 61%. In the Boston-Rome market it is estimated that the corresponding load factors will remain approximately the same at 40%. In the Boston-Milan market (one carrier Alitalia route) it is estimated that the corresponding load factor will decrease from 50% to 46%.

[10] Order 74–1–111, January 23, 1974; Order 74–2–84, *supra*.

[11] See footnote 10, *supra*.

[12] Likewise, it does not appear that our action here will significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act, since the carriers will have to reduce their schedules in any event because of the fuel shortage. Our action herein merely helps to insure that such reductions will be accomplished in a rational manner.

[13] American Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc., Order 73–10–110; Order 74–2–84, *supra*.

[14] Following announcement of the lifting of the Arab oil embargo, Mr. William Simon of the F.E.O. has stated that supplies of jet fuel for airlines could increase soon as a result of petroleum allocation changes presently under study.

[15] Such reports will enable the Board to analyze such schedule change(s) to insure that freed capacity is not being unnecessarily shifted to nonagreement markets.

[16] Rule 1608, Part 302.

agreement. It is further found that enforcement of section 405(b) of the Act, requiring 10 days' notice of schedule changes to the Postmaster General, would be an undue burden upon the air carrier applicants by reason of the limited extent of, and unusual circumstances affecting their operations and is not in the public interest, particularly in light of the reduced fuel supplies.

Pursuant to authority duly delegated by the Board in the Board's Regulations, 14 CFR 385.13 and 385.3, it is found that the capacity reduction agreement discussed herein is not adverse to the public interest nor in violation of the Act and should be approved subject to the conditions stated herein; that the air carriers' request for an exemption from the provisions of section 405(b) of the Act and any regulations made pursuant thereto, should be granted to the extent necessary to permit the filing of schedules on less than 10 days' notice to the Postmaster General and to the Board; and that the applicant carriers' request for waiver of the Board's Procedural Regulation PR–138 should be granted.[17]

Accordingly, it is ordered, That:

1. Agreement CAB 25164–A1 be and it hereby is aproved pursuant to section 412 of the Act, subject to the following conditions:

(a) Jurisdiction shall be retained to modify, amend or revoke approval at any time, or take whatever other action may be deemed appropriate;

(b) Schedule deletions resulting pursuant to the agreement herein approved which occur at any of the controlled high-density airports[18] and which result in the vacating of slots allocated by the Airline Scheduling Committees of the respective airports pursuant to authority granted in Order 72–11–72, shall not be refilled by the carrier applicants, nor be reallocated to other carriers by the Airline Scheduling Committees, *provided,* however, that slots originally vacated may be reinstated in the same agreement market by the vacating carrier to the extent such carrier vacates another flight (at the same airport) which operates plus or minus three hours of the flight to be reinstated;[19]

(c) Any schedule changes resulting pursuant to the agreement herein approved shall be reported to the Board within 15 days after the end of each month in accordance with the format of Appendix A;[20] copies of such reports shall be provided to all carriers requesting them;

2. Within 28 days hereafter, each carrier shall file with the Board's Docket Section, and shall provide to each carrier requesting one, a report containing the following additional data for the United States-Italy markets herein:

a. Seats operated in 1972 and 1973 (April through October).

b. Passengers carried in 1972 and 1973.

c. Forecast passengers in 1974.

d. Projected seats in 1974.

e. Equipment type to be operated in the market.

f. Calculations in developing fuel savings for this market.

g. 1972/1973/1974 fuel use by month for the system of each carrier.[21]

h. 1972/1973/1974 fuel use by month in the agreement market.

3. Pan American and TWA be and they hereby are relieved from the provisions of section 405(b) of the Act, and from all regulations enacted in pursuance thereof, to the extent necessary to permit the implementation of the subject modifications without 10 days' prior notice to the Postmaster General;

4. The request of the applicants for waiver of the recent amendment to the Board's Procedural Regulation PR–138, which would otherwise permit 21 days for answers to this application, be and it hereby is granted; and

5. Copies of the order shall be served on the Departments of Defense, Justice and Transportation; the U.S. Postal Service; the Port Authority of New York and New Jersey; Massachusetts Port Authority; City of Chicago, Department of Aviation; City of Philadelphia, Department of Commerce, Director of Aviation, and all certificated route and supplemental air carriers.

Persons entitled to petition the Board for review of this order pursuant to the Board's Regulations, 14 CFR 385.50, may file such petitions within seven days after the date of service of this order.

This order shall be effective immediately and filing of a petition for review shall not preclude such effectiveness.

This order shall be published in the FEDERAL REGISTER.

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[17] It is further found, pursuant to 14 CFR 385.6, that the action taken herein is governed by prior Board precedent and policy, and that immediate action is required in light of the fuel shortage. Therefore, it is determined that the filing of petitions for review of this order will not preclude this order from becoming effective immediately.

[18] Airport scheduling agreements affect John F. Kennedy International Airport, O'Hare International Airport, Washington National Airport, and La Guardia Airport.

[19] Order 73–12–32, *supra*; Order 74–2–84, *supra*.

[20] As previously required of TWA and Pan American by Order 74–2–84, *supra*, the air carriers shall separately file with the Board's Docket Section a report stating, on a system-wide basis, average seat miles operated per gallon of fuel used, by type of equipment and shall maintain records, subject to inspection by the Board or by such other persons as the Board may authorize, detailing the fuel used each month, throughout its system, on a city-pair and flight-by-flight basis (including charter operations).

[21] As to Alitalia this data refers only to all U.S.-Italy markets.

APPENDIX A

	Type of Equipment				
	2-Engine	3-Engine narrow body	4-Engine narrow body	3-Engine wide body	4-Engine wide body
		Agreement Market(s)			
Miles scheduled weekly in preceding general schedule filed with CAB*					
Changes contained in this general schedule					
Miles scheduled weekly in this general schedule					
		Non-Agreement Market(s)**			
Miles scheduled weekly in preceding general schedule filed with CAB*					
Changes contained in this general schedule					
Miles scheduled weekly in this general schedule					

*This information may be omitted by foreign air carriers in their first monthly report.
**Applicable to U.S. air carriers and to foreign air carriers with respect to non-agreement U.S. markets

[FR Doc.74–8230 Filed 4–8–74;8:45 am]

[Docket 26568; Order 74-4-20]

LIVE ANIMALS AS BAGGAGE

Liability Rules; Order To Show Cause

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on the 4th day of April 1974.

In the *Investigation of Premium Rates for Live Animals and Birds*, Docket 21474,[1] the Board found, inter alia, that carrier liability provisions[2] applicable to the carriage of live animals were unlawful and ordered them canceled. At that time, the Board stated that the liability rule was "unreasonable on its face, since it would exclude carriers from liability for loss or damage resulting from their own negligence. It also singles out live animals for this unfavorable treatment. Even if the exclusion were less drastic, no justification can be found for imposing it solely on live animal shipments."

It has come to our attention that liability provisions, similar to the aforesaid continue to exist under rules applicable to the carriage of live animals as baggage.[3] These provisions generally provide that:

1. The carrier shall not be liable for the loss, death, or sickness of, or any injury to or delay in the delivery of, the pet.[4]

2. The owner assumes all risk for injury, sickness or death of any pet(s) accepted for transportation.[5]

3. The owner will assume all risk of injury, sickness or death of any pet accepted for cabin carriage.[6]

Upon consideration of all relevant matters, the Board tentatively finds that existing liability rules applicable to the carriage of live animals as baggage are not consistent with our decision in Docket 21474, and are therefore unlawful for the reasons stated at the outset of this order. In view of the fact that all of the issues relevant to a determination of the lawfulness of a liability rule purporting to exculpate carriers from their own negligence in the carriage of live animals were fully and thoroughly litigated in Docket 21474, wherein all air carriers were parties, the Board also tentatively finds that no further hearing is necessary.

Interested persons will be given twenty days following service of this order to show cause why the tentative findings and conclusions set forth herein should not be made final. We expect such persons to support their objections, if any, with detailed answers, specifically setting forth the tentative findings and conclusions to which objection is taken. Such objections should be accompanied by arguments of fact or law and should be supported by legal precedent or detailed economic analysis. If an evidentiary hearing is requested, the objector should state in detail why such a hearing is considered necessary and what relevant and material facts he would expect to establish through such a hearing. General, vague, or unsupported objections will not be entertained.

Accordingly, pursuant to the Federal Aviation Act of 1958 and particularly sections 204(a), 401, and 403,

It is ordered, that:

1. Hughes Air Corp. d/b/a Airwest, Alaska Airlines, Inc., Allegheny Airlines, Inc., Aloha Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Continental Air Lines, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., Frontier Airlines, Inc., Hawaiian Airlines, Inc., National Airlines, Inc., New York Airways, Inc., North Central Airlines, Inc., Northwest Airlines, Inc., Ozark Air Lines, Inc., Pan American World Airways, Inc., Piedmont Aviation, Inc., Reeve Aleutian Airways, Inc., Southern Airways, Inc., Texas International Airlines, Inc., Trans World Airlines, Inc., United Air Lines, Inc., Western Air Lines, Inc., Wien Air Alaska, Inc., and all interested parties are hereby directed to show cause why the Board should not make final its tentative findings and conclusions herein, and upon the basis of such findings and conclusions, order the above carriers to cancel the tariff rules set forth in Appendix A hereto;

2. Any interested persons having objection to the issuance of an order making final any of the proposed findings or conclusions set forth herein shall, within twenty days after service of a copy of this order, file with the Board and serve upon all persons made parties to this proceeding a statement of objections together with a summary of testimony, statistical data, and other evidence expected to be relied upon to support the stated objections;

3. If timely and properly supported objections are filed, full consideration will be accorded the matters and issues raised by the objections before further action is taken by the Board;

4. In the event no objections are filed, all further procedural steps will be deemed to have been waived and the Board may proceed to enter an order in accordance with the tentative findings and conclusions set forth herein; and

5. Copies of this order will be served upon Hughes Air Corp., d/b/a Airwest, Alaska Airlines, Inc., Allegheny Airlines, Inc., Aloha Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Continental Air Lines, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., Frontier Airlines, Inc., Hawaiian Airlines, Inc. National Airlines, Inc., New York Airways, Inc., North Central Airlines, Inc., Northwest Airlines, Inc., Ozark Air Lines, Inc., Pan American World Airways, Inc., Piedmont Aviation, Inc., Reeve Aleutian Airways, Inc., Southern Airways, Inc., Texas International Airlines, Inc., Trans World Airlines, Inc., United Air Lines, Inc., Western Air Lines, Inc., Wien Air Alaska, Inc., which are hereby made parties to this proceeding.

This order shall be published in the FEDERAL REGISTER.[1]

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.74-8118 Filed 4-8-74;8:45 am]

[1] Order 73-6-103 decided June 26, 1973, page 36.

[2] The liability rule in question provided that "the carrier shall not be liable for any loss or damage to live animals, except for death (including breakage of limbs rendering death necessary) when caused by fire, lightening, windstorm, water damage, crash or collision."

[3] Airline Tariff Publishers, Inc. Agent, Tariff No. C.A.B. 142, Rule 345(D).

[4] Applicable to Alaska, Frontier, Northwest, Ozark, Southern, and Texas International.

[5] Applicable to Airwest, Allegheny, Aloha, Braniff, Hawaiian, National, New York Airways, North Central, Piedmont, Reeve, Western, and Wien.

[6] Applicable to American, Eastern and TWA: We note that the provision applies solely to pets accepted for carriage in the cabin, and is silent on pets carried as baggage in the cargo hold.

INTERNATIONAL AIR TRANSPORT ASSOCIATION

[Docket 25280; Order 74-4-6]

Order Regarding North Atlantic Cargo Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on the 2d day of April 1974.

By Order 74-2-76 (February 19, 1974) the Board described the principal elements of North Atlantic cargo rate agreements filed by the members of the International Air Transport Association (IATA), and established procedural dates for the receipt of carrier justification, comments and responses. The relevant material has been received and evaluated, and the matter now stands ready for the Board's decision.

The Board's procedural order noted that the new agreements involve revisions which would appear to bring the North Atlantic rate structure more into line with the objectives sought by the Board.[2] General cargo rates would still be increased six cents per kilogram at the 500-kilogram weightbreak but only 4 cents per kilogram at the 100- and 300-kilogram weightbreaks, and specific com-

[1] Appendix filed as part of original document.

[2] By order 73-12-83 (December 20, 1973), the Board had disapproved in major part previous IATA agreements proposing major revisions to the North Atlantic rate structure, concluding that the proposed increases in general and specific commodity rates, particularly the directionality that would have been introduced into the commodity rate structure, would only have worsened the wide gap between the general rates and the low specific commodity rates. The Board was also dissatisfied with the rating of large containers for B-747F aircraft, and with the relationship between the proposed minimum charter rates, which were approved, and the proposed high weightbreak (30,000 kg.) specific commodity rates, which were disapproved.

modity rates would generally be increased 8 cents per kilogram in both directions instead of the previously-proposed 6- and 4-cent increases for eastbound and westbound rates, respectively.[2] Container rates are also proposed to be increased 8 cents per kilogram at the pivot weight, as opposed to the previously proposed 6-cent increase. The agreements would increase the previously agreed minimum charter rates approximately six percent. The carriers are also proposing a revised structure of through rates to/from Boston, Baltimore, Philadelphia, Washington, Chicago, Cleveland and Detroit (seven gateway cities), in response to the Board's Orders in Agreements Adopted by IATA Relating to North Atlantic Cargo Rates, Docket 20522 (Order 73–2–24 of February 6, 1973 as amended on reconsideration by Order 73–7–9 dated July 5, 1973). In that proceeding the Board found that New York was unduly preferred and the seven gateway cities were unduly prejudiced with respect to the North Atlantic rate structure. To remove this preference and prejudice the Board's order required that the rates per mile between these cities and each European point be the same as the New York/European rate per mile, except where departures are made to preserve commonrating for European points based on the lowest rate resulting from application of the mileage formula. To achieve this rate per mile for each of the named U.S. gateways (save certain exceptions discussed below), the New York/European rate would now be multiplied by a percentage figure reflecting the percentage relationship between the shortest operated gateway/Europe mileage and the corresponding New York/Europe mileage.

As indicated above, Order 74–2–76 directed all U.S. air carrier members of IATA operating services over the North Atlantic to file full documentation and economic justifications for the rates, charges and related conditions embodied in the subject agreements. Such justification has been received from Pan American World Airways, Inc. (Pan American) and from Trans World Airlines, Inc. (TWA). National Airlines, Inc., which carries cargo in Miami/London combination service, has submitted no statement of any kind. Comments relating to the proposed through rates for the seven gateway cities in Docket 20522 have been filed by Scandinavian Airline System (SAS) and by TAP Portuguese Airways (TAP). Other comments have been submitted by Seaboard World Airlines, Inc. (Seaboard).[3]

Pan American and TWA variously assert, *inter alia*, that the reductions in the proposed increases in general cargo rates, coupled with higher increases in specific commodity rates, will greatly improve the relationship between the two rate categories and represent a clear movement away from reliance on specific commodity rates; that the new container rates, particularly the reduced over-pivot weight rate for dense cargo (over 12 lbs. per cubic ft.) will promote containerization; and that the increases in the proposed minimum charter rates will reduce the previous differential between these rates and the high weightbreak (30,000 kg.) specific commodity rates from 4 to 5 cents per kg. to 3 cents per kg. and thus eliminate the "unnatural" relationship between the two rate concepts which had precipitated Board disapproval of the high weightbreak rates in Order 73–12–83. In this connection TWA lists comparative charges per pallet and per kg. at various densities for the charter rates as opposed to the high weightbreak rates, and submits that at the average density of TWA's North Atlantic charter traffic the charter rates will be only about 1.8 percent lower than the 30,000 kg. rates.[4]

In defense of the rates for the B–747F "bungalow" containers, the carriers allege that due to the superior stacking efficiency of the bungalow as compared with the Type 3 "igloo" container, the shipper can achieve a much higher overall density in the bungalow. The minimum charge for the bungalow is greater than for the igloo, but this is compensated for by the fact that the lower over-pivot rate comes into effect sooner for a shipment at equal density than for the igloo. Actually, both the bungalow and the igloo have rate advantages over each other depending on the density, the bungalow's advantage being in density ranges up to 10 lbs. per cu. ft.

Pan American estimates its revenue increase under the new rates at $3.3 million, or 7.5 percent, in all-cargo operations. The carrier forecasts a $415,000 operating profit in calendar 1974 and a 2.6 percent return on investment, whereas present rates would produce an operating loss of $2.6 million and a return of −1.6 percent.[5] TWA forecasts an 8.0 percent revenue improvement under the agreement, or $1.6 million in all-cargo operations, to produce a $1.4 million operating profit and a 6.7 percent return on investment in calendar 1974. Under present rates TWA would experience a $161,000 operating loss and 1.2 percent return (See Attachment A).

Seaboard urges the Board to approve the agreement promptly in order that the resultant revenue improvements will accrue as soon as possible to help offset drastically increased operating costs. Seaboard states that although the rate structure still contains serious deficiencies with regard to the charter rate/high weightbreak commodity rate relationship and the B–747F container rates, Seaboard's compelling need for additional revenues makes it imperative that the proposed increases become effective.

Pan American and TWA also refer to the new agreement's revised through rates to/from the seven gateway cities in Docket 20522, and allege that the departures between the rates proposed in the new agreement and the Board's formula were necessitated by the requirements of various foreign carriers and governments, and in most cases result in a lower rate than would apply under the strict mileage formula.[6]

SAS, in its comments supporting departures in the agreement from the Board's own per-mile formula, contends that the discrepancies are minor and were dictated by the necessity of maintaining historic rate relationships between certain European points.[7] Insofar as Scandinavian is concerned, SAS states that these existing relationships have developed over many years and reflect numerous factors such as predominant routings, frequencies, availability of cargo services and the effect of trucking competition. For example, where specific commodity rates from Gothenburg to New York (and Chicago) are presently 3 cents per kg. above those from Copenhagen to New York (and Chicago), strict application of the Board's mileage formula would increase the average differential between Gothenburg-Chicago and Copenhagen-Chicago to 7 cents per kg. and raise the danger of considerable diversion by truck from Gothenburg to Copenhagen. Additionally, strict mileage-related rates would destroy traditional relationships between Danish and North German rates. SAS also points out that the unilateral tariff filings of the U.S. carriers, which embodied a strict application of the mileage formula, were rejected by the Governments of the SAS consortium precisely for these reasons, and clearly indicates that rigid application of the Board's mileage formula creates anomalies unacceptable to these Governments. In this light SAS feels that the proposed IATA agreement represents a reasonable accommodation of legitimate Scandinavian and U.S. interests, and achieves substantial compliance with the Board's objectives to remove the preference and prejudice to the other gateway cities.

TAP states that the variances from the Board's formula in regard to Portuguese

[2] As in the previous agreement, most specific commodity rates at weightbreaks lower than 100 kgs. are being eliminated.

[3] The Maryland Department of Transportation (Maryland) filed a document complaining that it had not obtained copies of the agreements and carrier justifications. By a subsequent filing Maryland advised that it had received the agreements and that it will not file further comments to the justification.

[4] TWA states that its average transatlantic charter load for the quarter ended September 30, 1973 was 28,756 kgs.

[5] We have adjusted Pan American's forecast of results under proposed rates to exclude $104,000 in unspecified cost increases attributed to "revenue-related expense" and "cash-related expense" defined as fixed percentages of revenue. However, the net effect of this adjustment on Pan American's return element is minimal.

[6] On October 16, 1973, the U.S. carriers filed tariffs implementing the Board's mileage formula without the departures contained in the subject agreement. These tariffs were approved by the Board (Order 73–11–63 dated November 14, 1973), but were rejected by various European governments.

[7] The uniform percentages proposed for Scandinavian points, SAS states, result from an averaging of the mileage between each of the seven cities and all of the Scandinavian points included in the IATA rate tables.

points arose from TAP's requirement for uniform percentage figures for all Portuguese points that maintain existing relationships with other European points.

Upon careful consideration of the agreements, the carrier justifications, the comments and all other relevant matters, the Board has decided to approve the subject agreements. We believe the amendments adopted at the New York meeting this January represent substantial improvements in the North Atlantic cargo rate structure, such as to align it more closely with the Board's objectives. In addition, the proposed increases should effect a significant improvement in the present unsatisfactory economics of North Atlantic cargo operations, and bring the carriers' revenues more closely into line with the costs of providing the service.

The reduction in the proposed increases in 100 and 300 kg. general cargo rates, coupled with the higher increase in specific commodity rates, will reduce the differential between the two rate categories and should help diminish the present over-reliance on the commodity rates. General cargo rates are presently burdened with providing a disproportionate share of the carriers' revenue requirements (compared to the amount of traffic they carry), but data on traffic and revenue distribution included in Pan American's and TWA's justifications indicate that this disparity may be alleviated somewhat under the new rates. There is still considerable room for improvement, however.

Reduction in the degree of discount in the commodity rate should also make the container rates more attractive than at present, and provide an improved incentive for unitization. The "second pivot weight," in effect a reduced rate for cargo with a density over 12 lbs. per cu. ft., may also aid in this regard. Some doubt remains concerning the carriers' rationale for the relationship between rates for the B–747F bungalow containers and the unit-load devices for conventional aircraft. However, the bungalow rates currently apply only to U.S.-Germany traffic since that is the only market in which B–747F service is now available. Further, Pan American and TWA, in their justifications, point out that Resolution 534a governing bulk unitization charges allows filings of bungalow rates to/from other points upon 30 days notice to the IATA Traffic Secretary.[8] Here we would point out that the Board expects that proper, cost-related rates for the bungalows will be permitted to become effective when B–747F service becomes more widely available in the U.S.-Europe market.

We also have reservations regarding the proper relationship between the minimum charter rates and the proposed high weightbreak specific commodity rates. A distinct possibility exists that charter availability may decline substantially in coming months due to the impact of the adverse fuel situation, and thus fully reasonable high weightbreak rates in scheduled service will become more and more crucial to the continued availability of service for planeload shipments.[9]

The carriers' forecasts of their financial results under existing rates clearly indicate that substantial revenue improvement is required to place North Atlantic cargo operations on an economic footing and we believe the rate increases embodied in the subject agreements will offer considerable assistance in this regard. The Board recently approved two separate IATA agreements involving uniform 6 and 7 percent increases in North Atlantic cargo rates to compensate the carriers for the severe effects of drastically increased fuel costs.[10] We have re-examined the carriers' forecasts included in their justifications for the most recent fuel-based rate increase, and applied to them the revenue improvements predicted in connection with the subject agreement for a general increase in North Atlantic rates.[11] The results detailed in Attachment B, indicate that Pan American's and TWA's earnings will still be sub-standard, producing rates of return of 4.4 percent and 1.9 percent, respectively, on investment. In these circumstances, the Board finds that the proposed increases are fully warranted, and will be approved.[12]

We also believe the proposed through rates for the seven gateway cities in Docket 20522 substantially meet the Board's purposes in that proceeding to remove the undue preference and prejudice contained in the North Atlantic rate structure to those cities, although the proposed rates are not in literal compliance with the orders therein in limited instances. Nevertheless we believe that the agreement before us warrants approval as being in the public interest. We are accordingly, by a separate order issued concurrently herewith in Docket 25022 (Order 74–4–7), suspending the effectiveness of our orders in that proceeding[13] to the extent they would otherwise prevent approval and implementation of the agreement now before us, and directing all parties and interested persons to show cause why such orders should not be further modified so as to permit deviation from the rate-per-mile formula not only for the purposes of maintaining common rates within Europe but to permit the maintenance of established relationships between European points not involving common rating.

The Board in its orders requiring establishment of rates to/from the seven gateway cities in Docket 20522 at the same per-mile level as for New York, stated it would permit deviations from the strict mileage formula to allow maintenance of existing common-rate relationships within Europe, provided that the common rate was based upon the lowest applicable rate resulting from application of the mileage formula. As indicated above, the proposed through rates herein considered embody further deviations from the mileage formula to maintain existing relationships between European points not involving common-rating, and also depart from the formula in that the percentage applied for common-rated European points generally reflects an average mileage rather than the mileage for the nearest European point included in each common-rated set.

The majority of the deviations from the formula occur at Scandinavian points where a uniform mileage percentage is utilized for such points. This uniform percentage has not affected rates for Baltimore/Washington and Philadelphia,[14] but in the case of the other four U.S. gateways results in rates to/from Aalborg, Aarhus, and Copenhagen which are above the strict mileage-related rate. On the other hand, the preponderance of U.S./Scandinavian rates are proposed at levels below those resulting from the mileage formula. Further, SAS argues in its justification statement that strict application of the mileage formula would result in increased overland movement of goods to take advantage of favorable rate differentials within Scandinavia. SAS also claims that strict application of the original Board order would destroy the historical differences between Scandinavian points and North German points (especially Hamburg).

We are convinced that the arguments advanced by SAS have considerable merit, and reflect the legitimate interests

[8] A 15-day protest period is also provided.

[9] Form 41 data reported by the U.S. carriers on available transatlantic cargo charter capacity indicates that although capacity generally increased steadily through most of 1973, it dropped off significantly at the end of the year.

[10] Orders 74–1–152 (January 30, 1974) and 74–2–126 (February 28, 1974) respectively.

[11] Pan American's forecast of reductions in all-cargo capacity and traffic attributable to fuel, incorporated in their justification and forecasts for the second-round fuel-related rate increase, indicates a seven percent decline in capacity and a five percent decline in traffic. We are not convinced Pan American has made an adequate showing regarding the five percent reduction in freighter traffic, inasmuch as cargo is relatively inelastic and would probably continue to be carried at higher load factors on remaining freighter flights, or in the belly compartments of combination aircraft. For this reason Pan American's revenue forecasts may be somewhat understated.

[12] We will also approve two related IATA agreements involving currency surcharges and minimum charges between the United States and Africa, and the deletion of container rates between U.S. points and Ljubljana, Yugoslavia. Our continued approval of the currency surcharge agreement applicable to this limited area and class of traffic is without prejudice to any possible future reappraisal the Board may wish to make of previously approved IATA currency surcharge agreements generally in view of shifts in the exchange value of the dollar since these agreements were adopted.

[13] Orders 73–2–24 and 73–7–9.

[14] The reasons that Baltimore/Washington and Philadelphia rates are not affected is because the percentages under the Board's formula are the same as those proposed in the agreement.

of the Scandinavian carrier and the Governments concerned. More generally, the Board believes that all the proposed through rates reasonably comport with our previous orders, and that the deviations involving rates higher than the mileage formula are by far overshadowed by the fact that the deviations are very minor and few in number. None of the civic parties to the case have objected to the rates proposed, and the carriers' submissions make it evident that the agreement reflects the requirements of several European Governments with respect to rate relationships between their own cities. It was never the Board's intent to abrogate these relationships, and we believe the present agreement reflects a reasonable accommodation of legitimate interests on both sides of the Atlantic.

In these circumstances, we cannot find that the proposed through rates involve preference and prejudice, and accordingly they will be approved. The approval will extend during the period of the stay of the effectiveness of Orders 73–2–24 and 73–7–9, prescribed in Order 74–4–7 issued concurrently herewith.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, does not find that the following resolutions, incorporated in the agreements indicated, are adverse to the public interest or in violation of the Act provided that approval is subject, where applicable, to conditions previously imposed by the Board:

Agreement C.A.B.	*IATA Resolution*
24195:	
R–1	JT12(Mail 830)022j.
R–2	JT12(Mail 830)045e.
R–3	JT12(Mail 830)501.
R–4	JT12(Mail 830)534a.
R–5	JT12(Mail 830)554a.
R–6	JT12(Mail 830)590.
24196:	
R–1	JT12(Mail 831)022j.
R–2	JT12(Mail 831)501.
24232	JT12(Mail 834)022j.
24236	JT12(Mail 833)534a.

Accordingly, it is ordered, that:

1. Agreements C.A.B. 24195, R–1 through R–6, C.A.B. 24196, R–1 and R–2, C.A.B. 24232, and C.A.B. 24236 be and hereby are approved subject, where applicable, to conditions previously imposed by the Board; provided further that approval of Agreement C.A.B. 24195, R–4 through R–6, shall expire with the expiration of the stay of the effectiveness of Orders 73–2–24 and 73–7–9 as prescribed in Order 74–4–7 issued concurrently herewith;

2. The carriers are hereby authorized to file tariffs implementing the approved agreements on not less than one day's notice for effectiveness not earlier than April 3, 1974. The authority granted in this paragraph expires with April 30, 1974;

3. Tariffs implementing Agreements C.A.B. 24195, R–1 through R–6, C.A.B. 24232 and C.A.B. 24236 in air transportation as defined by the Act shall be marked to expire not later than December 31, 1974; and

4. Tariffs implementing Agreement C.A.B. 24196, R–1 and R–2, in air transportation as defined by the Act shall be marked to expire not later than September 30, 1975.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.[1]

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[FR Doc.74–8116 Filed 4–8–74;8:45 am]

[Docket 20522; Order 74–4–7]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order To Show Cause Regarding North Atlantic Cargo Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on the 2nd day of April, 1974.

By Order 73–2–24 of February 6, 1973, affirmed on reconsideration by Order 73–7–9 dated July 5, 1973, in the above entitled case, the Board found that the North Atlantic cargo rate structure was unduly and unreasonably preferential to New York and unduly and unreasonably prejudicial to Baltimore, Boston, Chicago, Cleveland, Detroit, Philadelphia and Washington (other U.S. gateway cities). The Board further found that certain agreements of the member carriers of the International Air Transport Association (IATA) were adverse to the public interest and in violation of the Federal Aviation Act of 1958 (the Act) to the extent that such agreements embodied rates and charges found unlawful therein. The Board directed that the preference and prejudice be removed by the respondent air carriers and foreign air carriers by establishing North Atlantic rates at the other gateway cities at the same rate per mile as provided at New York; provided however, that the rate-per-mile formula could be departed from to permit the common rating of Baltimore and Washington on the basis of the arithmetic average of the Baltimore-European point and the Washington-European point mileages. In addition the Board, recognizing that the intra-European common-rate structure was not in issue in this proceeding, specifically provided that it would permit deviations from a strict mileage formula where necessary to preserve the current common-rate relationships among European points based upon the lowest rate resulting from the rate-per-mile formula. Following this order revised IATA proposals as well as tariff filings of IATA carriers were rejected by the Board and/or by numerous European governments.[1]

Subsequently the IATA carriers filed with the Board a revised 1974 North Atlantic cargo rate agreement proposing a revised North Atlantic rate structure including revised rate relationships between the other U.S. gateway cities and New York vis-a-vis the various points in Europe.[2] The new resolution as it relates to the other U.S. gateway cities comports generally with the rate-per-mile relationship required by Board Order 73–7–9, supra. Although it contains a limited number of variations from the literal application of the rate-

[1] Board Member Minetti issued a concurring statement, filed as part of the original document.

[1] By Order 73–9–109 dated September 28, 1973 the Board rejected tariff revisions marked to become effective September 30, 1973 by air carrier and foreign air carrier parties to this proceeding. The proposal involved a single add-on for each gateway city for each weight break separately for general or specific commodity rates to be combined with the New York-Europe rate to establish the applicable rates to each of the named U.S. gateway cities. This averaging methodology for construction of the rates was developed by a working group at the IATA conference held in Mexico City during the month of May 1973. In sum, the proposed use of a single add-on, while fitting the Board's requirements to some selected European cities, was found not to meet the Board's Order with respect to North Atlantic rates for the U.S. gateway points to/from European points or even to European gateway points.

By unilateral tariff revisions marked for effectiveness November 15, 1973, Pan American World Airways, Inc. (Pan American) proposed to establish rates between other gateway cities and European points at substantially the same rate per mile with respect to the same European points as are the New York rates except in those cases where the carrier proposed to continue common rating of European points. Trans World Airlines, Inc., (Trans World) proposed a somewhat similar North Atlantic rate structure. By Order 73–11–63 dated November 14, 1973 the Board dismissed complaints against these proposals filed by the Attorney General of Virginia, Metropolitan Washington Board of Trade, The Baltimore Parties, The City of Memphis, Tennessee and The Memphis Chamber of Commerce, and permitted the tariffs to become effective. While these filings by Pan American and Trans World met the requirements of the Board's order in this proceeding, the filings of these carriers with European governments were rejected by Austria, Germany, France, Italy and the United Kingdom upon the grounds, inter alia, that the tariffs were not timely filed with European governments, that they were not rates duly established within the IATA rate-making machinery and that the proposal disrupted the intra-European rate relationships with respect to numerous cities within Europe. As a result of the rejection of the rate proposals of Pan American and Trans World by the European governments, the Board granted requests to extend the effective date for filing tariffs to comport with the Board's requirements. See Order 73–12–41 dated December 10, 1973 and Order 74–1–135 dated January 25, 1974 which extended the effective date for filing tariffs to January 1, 1974 and March 1, 1974, respectively.

[2] By Order 74–2–76 dated February 19, 1974 the Board provided all interested persons the opportunity to comment upon this agreement.

per-mile relationship set forth in that order, these variances are stated to be necessary to maintain the historic rate relationship between points within Europe.

This proposal marks a significant improvement in the North Atlantic rate structure and does not appear unduly preferential or prejudicial to the relationship of the other U.S. gateway cities with New York vis-a-vis points in Europe. Upon the bases set forth more fully in Order 74–4–6 in Docket 25280 issued concurrently herewith, the Board has concluded to approve the new IATA agreement for North Atlantic cargo rates including the relationships described above. Further the Board will stay the effectiveness of its Orders in this proceeding to the extent necessary to permit the filing of tariffs and implementation of the new North Atlantic rate structure filed as an agreement by the IATA carriers. By this action the Board will be able to approve the IATA resolution, such approval to be effective until further order in the Docket, and to provide time for all parties and interested persons to show cause why the orders issued herein should not be modified so as to permit additional limited departures from the rate-per-mile requirement previously presented. Under the modifications we are here proposing, the Board would not only permit common rates where necessary to maintain an existing common-rate relationship within Europe but further would permit departure from the rate-per-mile requirements for the purpose of maintaining or establishing the intra-European rate relationships that have historically applied where such proposals would not result in undue preference or undue prejudice with respect to the rate relationship between the other U.S. gateway cities and New York vis-a-vis European points.

In proposing limited additional departures from the rate-per-mile structure presented by Order 73–7–9, supra, the Board has given weight to various considerations involved herein. At the outset, the intra-European common-rate structure has been stated not to be an issue in this proceeding, rather, the principal issue was the matter of undue preference or prejudice to the other U.S. gateway cities vis-a-vis New York. By the same token the focusing of this proceeding was not upon the rate relationships, per se, of the intra-European cities. While the Board earlier noted that the intra-European common rates were not in issue, (Order 73–2–24, supra, mimeo Page 18) no party raised the contention prior to the finalization of our order herein that the application of the rate-per-mile formula would effect some adjustments to these relationships. The instant IATA proposal is reasonably compatible with the rate-per-mile formula, and the variances from the formula are limited in number. Analysis of the agreement indicates that the variances are for the most part minor in amount, (having little or no effect upon Baltimore, Washington, Philadelphia) and generally effect a somewhat lower rate per mile than the Board's formula at Chicago, where the majority of the variances occur. In these circumstances we cannot find that the proposal would establish or perpetuate the presently effective undue prejudice found to exist as to the gateway cities.

While, as indicated, the proposal does not literally comport with the Board's order, we recognize that tariffs of U.S. carriers in compliance with our order have been rejected by foreign governments. The differences between the United States and the foreign governments appear to stem from the technical problems inherent in establishing rate relationships between the other U.S. gateway cities vis-a-vis New York without unduly affecting rate relationships within Europe. The IATA carriers proposal is an effort to iron out the existent technical difficulties and reach a new agreement which is consistent with the Board's policy and satisfactory to all countries. Unlike the situation with domestic rates, however, the need for cooperation and agreement among nations engaged in air transportation sometimes necessitates that the Board accept rates adopted by IATA carrier agreement which depart from what it regards as the preferred rate structure. As the Board only recently stated:

"No one nation can exercise its rate-fixing authority without the acquiescence of at least some other governments. No matter what its own government says, no airline may operate into a foreign country except at rates which the foreign country will accept. One constraint on agreement is that many governments have differing economic policies and philosophies; what the United States deems sound economic policy may be anathema to another country. Like our other international air transport policies, the United States fare objectives thus 'must take into account legitimate air transport interests of other countries and recognize that in the final analysis the policy cannot be viable without international acceptance.' (See Statement of International Air Transportation Policy of the United States, approved by the President, June 22, 1970.)" *IATA Agreements Relating to North Atlantic Passenger Fares, Cargo Rates, and Currency Matters, Opinion on Remand*, Order 73–10–55, dated October 15, 1973.

In these circumstances the Board finds that the effectiveness of Orders 73–2–24 and 73–7–9 should be stayed for the limited purposes described above and tentatively finds on the basis of the record herein, including the matters described above, that such orders should be amended as described in ordering paragraph 2 below.

Accordingly, pursuant to the provisions of the Federal Aviation Act of 1958 and particularly sections 204(a), 403, 404(a), 412, 414, and 1002(f) thereof,

It is ordered, that:

1. The application of Board Orders 73–2–24 and 73–7–9 in this proceeding are hereby stayed until further order of the Board to the extent necessary to permit the approval of Agreements Adopted by the Traffic Conferences of the International Air Transport Association Relating to North Atlantic Cargo Rate Matters, Docket 25280, and the filing of tariffs to implement such agreements, approved by Order 74–4–6 issued concurrently herewith, as well as the filing of similar tariffs which may be filed by non-IATA carriers;

2. All parties to this proceeding and other interested persons are hereby given until May 1, 1974 to show cause why the Board should not amend Orders 73–2–24 and 73–7–9 by amending the last provision in ordering paragraph 2 of Order 73–7–9 so that ordering paragraph 2 of Order 73–7–9 will read in its entirety as follows:

2. Finding number 4 of the Ultimate Findings and Conclusions appearing on page 32 of Order 73–2–24, February 6, 1973, be and it hereby is further amended to read as follows:

4. The lawful local and joint North Atlantic general commodity, specific commodity and container rates for service between the cities of Boston, Philadelphia, Baltimore, Washington, Cleveland, Detroit, and Chicago, on the one hand, and points in Europe, on the other hand, are the New York-European point rates per mile multiplied by the distance in miles between such cities and the point in Europe. The air carrier and foreign air carrier parties participating in air cargo services for through transportation of cargo between each of the cities named above and points in Europe via the North Atlantic shall establish and hold out in lawfully filed tariffs all rates available at New York at each of the other named gateways based upon the above formula. The mileage to be used in determining the lawful rates is the shortest operated point-to-point mileage as shown in the latest edition of the IATA mileage manual: *Provided, however*, That such rates between Baltimore and Washington, on the one hand, and points in Europe, on the other hand, may be common-rated on the basis of the arithmetic average of the Baltimore-European point and Washington-European point mileages; *And, provided further*, That such rates between the various U.S. gateway points mentioned above, on the one hand, and points in Europe, on the other hand, may depart from the New York-European point rates per mile specified above to the extent necessary to establish or maintain common-rate relationships as among European points, or establish or maintain intra-European rate relationships that have historically applied where such proposals will not result in undue preference or undue prejudice with respect to the rate relationship between the above-named other U.S. gateway cities and New York vis-a-vis European points.

3. Responses in support of or in opposition to the proposed amendment shall be made by filing an original and 9 copies thereof in the Docket Section in Docket 20522; and

4. Copies of this order shall be served upon all parties in Docket 20522.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[FR Doc.74–8117 Filed 4–8–74;8:45 am]

[Docket 25280; Order 74-4-11]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Specific Commodity Rates

APRIL 3, 1974.

Issued under delegated authority, April 3, 1974.

Agreements have ben filed with the Board pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations between various air carriers, foreign air carriers, and other carriers embodied in the resolutions of the Joint Traffic Conferences of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 dealing with specific commodity rates.

The agreement names additional specific commodity rates, at set forth below, reflecting reductions from general cargo rates; and was adopted pursuant to unprotested notices to the carriers and promulgated in IATA letter dated March 22, 1974.

Agreement CAB	Specific commodity item No.	Description and rate
24291:		
R-1	6833	Plastic Articles, N.E.S.[1] 255 cents per kg., minimum weight 500 kgs. from Johannesburg to New York.
R-2	0315	Crabs, Crawfish, and Lobsters 87 cents per kg., minimum weight 45 kgs. from Nukualofa to Honolulu.

[1] See tariff for complete commodity item description.

Pursuant to authority duly delegated by the Board in the Board's Regulations, 14 CFR 385.14, it is not found that the subject agreement is adverse to the public interest or in violation of the Act, provided that approval is subject to the conditions hereinafter ordered.

Accordingly, it is ordered, That:

Agreement C.A.B. 24291, R-1 and R-2, be and hereby is approved, provided that approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publications; provided further that tariff filings shall be marked to become effective on not less than 30 days' notice from the date of filing.

Persons entitled to petition the Board for review of this order, pursuant to the Board's Regulations, 14 CFR 385.50, may file such petitions within ten days after the date of service of this order.

This order shall be effective and become the action of the Civil Aeronautics Board upon expiration of the above period, unless within such period a petition for review thereof is filed or the Board gives notice that it will review this order on its own motion.

This order will be published in the FEDERAL REGISTER.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.74-8120 Filed 4-8-74;8:45 am]

INTERNATIONAL CIVIL AVIATION ORGANIZATION

Notice of Meeting

Notice is hereby given that a presentation will be made by the above Organization on April 24, 1974, at 2:30 p.m. (local time) in Room 1027, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

Dated at Washington, D.C., April 4, 1974.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.74-8114 Filed 4-8-74;8:45 am]

[Docket No. 20472]

PHILADELPHIA-CAMDEN-ROCHESTER/ SYRACUSE CASE

Notice of Reassignment of Hearing

The hearing in this proceeding, heretofore assigned to be held before Administrative Law Judge Joseph L. Fitzmaurice on September 10, 1974, is hereby reassigned to be held before Administrative Law Judge Robert M. Johnson. Future communications concerning the proceeding should be addressed to Judge Johnson.

Dated at Washington, D.C., April 4, 1974.

[SEAL] RALPH L. WISER,
Chief Administrative Law Judge.

[FR Doc.74-8121 Filed 4-8-74;8:45 am]

[Docket Nos. 25583, 25603]

RONSON CORP. AND RONSON HELICOPTERS, INC. ACQUISITION OF CONTROL BY LIQUIGAS, S.P.A. ET AL.

Notice of Reassignment of Proceeding

Administrative Law Judge Joseph L. Fitzmaurice is on sick leave pending retirement and is no longer available for preparation of the initial decision. Accordingly, the proceeding is hereby reassigned to Administrative Law Judge Henry Whitehouse. Future communications should be addressed to Judge Whitehouse.

Dated at Washington, D.C., April 3, 1974.

[SEAL] RALPH L. WISER,
Chief Administrative Law Judge.

[FR Doc.74-8115 Filed 4-8-74;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

[OPP-32000/34]

NOTICE OF RECEIPT OF APPLICATIONS FOR PESTICIDE REGISTRATION

Data To Be Considered in Support of Applications

On November 19, 1973, the Environmental Protection Agency published in the FEDERAL REGISTER (38 FR 31862) its interim policy with respect to the administration of section 3(c)(1)(D) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), as amended (86 Stat. 979), and its procedures for implementation. This policy provides that EPA will, upon receipt of every application, publish in the FEDERAL REGISTER a notice containing the information shown below. The labeling furnished by the applicant will be available for examination at the Environmental Protection Agency, Room EB-37, East Tower, 401 M Street, SW, Washington, D.C. 20460.

On or before June 10, 1974, any person who (a) is or has been an applicant, (b) desires to assert a claim for compensation under section 3(c)(1)(D) against another applicant proposing to use supportive data previously submitted and approved, and (c) wishes to preserve his opportunity for determination of reasonable compensation by the Administrator must notify the Administrator and the applicant named in the FEDERAL REGISTER of his claim by certified mail. Every such claimant must include, at a minimum, the information listed in this interim policy published on November 19, 1973.

Applications submitted under 2(a) or 2(b) of the interim policy in regard to usage of existing supportive data for registration will be processed in accordance with existing procedures. Applications submitted under 2(c) will be held for the 60-day period before commencing processing. If claims are not received, the application will be processed in normal procedure. However, if claims are received within 60 days, the applicants against whom the particular claims are asserted will be advised of the alternatives available under the Act. No claims will be accepted for possible EPA adjudication which are received after this June 10, 1974.

APPLICATIONS RECEIVED

EPA File Symbol 10336-I. Aquaphase Laboratories Inc., 1425 E. Michigan Street, Adrian, Michigan 49221. *Aquaphase S-Tec-2A.* Active Ingredients: poly [oxyethylene (dimethyliminio) ethylene (dimethyliminio)ethylene dichloride] 60%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA Reg. No. 662-43, Basf Wyandotte Corp., Chemical Specialties Div., 1608 Biddle Ave., Wyandotte, Michigan 48192. *Wyandotte Per-Vad Low Foaming Acid Rinse and Sanitizer.* Active Ingredients: Orthophosphoric Acid 15.0%; Sulfonated Oleic Acid, Sodium Salt 2.6%. Method of Support: Application proceeds under 2(b) of interim policy.

EPA File Symbol 100-LGL. Ciba-Geigy Corporation, Agricultural Division, P.O. Box 11422, Greensboro, North Carolina 27409. *AAtrex 4LC Herbicide.* Active Ingredients: Atrazine (2-chloro-4-ethylamino-6-isopropylamino-s-triazine) 40.8%; Related Compounds 2.2%. Method of Support: Application proceeds under 2(a) of interim policy.

EPA File Symbol 11662-I. Envirachem, Inc., 14861 Meyers Road, Detroit, Michigan 48227. *Instasan 5 Display Case & Metal Cleaner-Sanitizer.* Active Ingredients: n-Alkyl (60% C14, 30% C16, 5% C12, 5% C13) dimethyl benzyl ammonium chlorides 0.035%; n-Alkyl (68% C12, 32% C14) di-

methyl ethylbenzyl ammonium chlorides 0.035%; Sodium Carbonate 0.047% Tetrasodium ethylenediamine tetraacetate 0.016%. Method of Support: Application proceeds under 2(b) of interim policy.

EPA File Symbol 5905–UNL. Helena Chemical Company, 5100 Poplar Avenue, Memphis, Tennessee 38137. *Methoxychlor 2 E. C. Emulsifiable Insecticide Concentrate.* Active Ingredients: Methoxychlor, technical 25.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 5905–UNU. Helena Chemical Company, 5100 Poplar Avenue, Memphis, Tennessee 38137. *Methoxychlor 3 E. C. Emulsifiable Insecticide Concentrate.* Active Ingredients: Methoxychlor, technical 35.0% Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 29516–A. Hy-Yield, Inc., 7935 W. Lantana Rd., Lake Worth, Florida 33460. *70–30 Soil Fumigant.* Active Ingredients: Methyl bromide 68.6%; Chloropicrin 1.4%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 802–LEG. The Chas. H. Lilly Co., 109 S.E. Alder, Portland, Oregon 97214. *LV 2,4,5-T Ester Four BP.* Active Ingredients: 2,4,5-Trichloroprenoxyacetic acid, Butoxypropyl Esters 68.6%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 1021–RGNE. McLaughlin Gormley King Company, 8810 Tenth Avenue North, Minneapolis, Minnesota 55427. *Pyrocide Fogging Formula 7207* Active Ingredients: Pyrethrins 2.0%; Piperonyl Butoxide 2.5%; N-octyl bicycloheptene dicarboximide 2.5%; Petroleum distillate 8.0%; Mineral Oil 85.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA Reg. No. 432–452. S. B. Penick & Company, 100 Church Street, New York, New York 10007. *Your Brand SBA-1383 Aqueous Pressurized Spray Insecticide 0.25.* Active Ingredients: (5-Benzyl-3-furyl) methyl 2,2-dimethyl-3-(2-methyloropenyl) cyclopropane carboxylate 0.250%; Related compounds 0.034%; Aromatic petroleum hydrocarbons 0.332%. Method of Support: Application proceeds under 2(b) of interim policy.

EPA File Symbol 438–AG. State Chemical Company, P.O. Drawer No. 310, 100 Houston Street, Amarillo, Texas 79105. *Staco-Algicide.* Active incredients: Poly[oxyethylene(dimethyliminio)ethylene(dimethyliminio)ethylene dichloride] 15.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 438–AR. State Chemical Company, P.O. Drawer No. 310, 100 Houston Street, Amarillo, Texas 79105. *Staco-Algicide Concentrate.* Active Ingredients: Poly[oxyethylene(dimethyliminio)ethylene (dimethyliminio)ethylene dichloride] 60.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 438–AE. State Chemical Company, P.O. Drawer No. 310, 100 Houston Street, Amarillo, Texas 79105. *Staco-Cide.* Active Ingredients: Poly[oxyethylene(dimethyliminio) ethylene(dimethyliminio)ethylene dichloride 15.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 34113–G. Tiarco Chemical Company, Division of Textile Rubber & Chemical Co., P.O. Box 3517, Rock Hill, South Carolina 29730. *Technical Maneb For Formulating Fungicidal Products Only.* Active Ingredients: Maneb (manganese ethylene bisdithiocarbamate) 98.25%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 34113–R. Tiarco Chemical Company, Division of Textile Rubber & Chemical Co., P.O. Box 3517, Rock Hill, South Carolina 29730. *Technical Nabam For Formulating Fungicidal Products Only.* Active Ingredients: Nabam (sodium ethylene bisdithiocarbamate) 50.0%; H_2O 50.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 34113–E. Tiarco Chemical Company, Division of Textile Rubber & Chemical Co., P.O. Box 3517, Rock Hill, South Carolina 29730. *Technical Zineb For Formulating Fungicidal Products Only.* Active Ingredients: Zineb (zinc ethylene bisdithiocarbamate) 98.2%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 29443–G. Treat-Rite Water Labs., Inc., P.O. Box 226, Nowata, Oklahoma 74048. *Sodium Hypochlorite Solution 10% Available Chlorine.* Active Ingredients: Sodium Hypochlorite 10.0%. Method of Support: Application proceeds under 2(c) of interim policy.

EPA File Symbol 1816–RI. Turco Products, A Division of Purex Corporation, Ltd., 24600 So. Main St., Carson, California 90745. *Turco Kwik-San-2 for Industrial Use Only.* Active Ingredients: Sodium dichloro-s-triazinetrione dihydrate 15.2%. Method of Support: Application proceeds under 2 (b) of interim policy.

EPA File Symbol 1816–RT. Turco Products, A Division of Purex Corporation, Ltd., 24600 So. Main St., Carson, California 90745. *Turco Turcosan-2 for Industrial Use Only.* Active Ingredients: Sodium dichloro-s-triazinetrione dihydrate 38.1%. Method of Support. Application proceeds under 2(b) of interim policy.

Dated: April 1, 1974.

JOHN B. RITCH, Jr.,
Director, Registration Division.

[FR Doc.74–7889 Filed 4–8–74;8:45 am]

CHEMICAL FORMULATORS, INC.

Notice of Filing of Petition Regarding Pesticide Chemical

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408 (d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 4F1467) has been filed by Chemical Formulators, Inc., Post Office Box 26, Nitro, WV 25143, proposing establishment of a tolerance (40 CFR Part 180) for residues of the insecticide methoxychlor (2,2-bis (p - methoxyphenyl) -1,1,1-trichloroethane) in or on the raw agricultural commodity cottonseed at 3 parts per million.

The analytical method proposed in the petition for determining residues of the insecticide is a gas chromatographic procedure using electron-capture detection.

Dated: March 29, 1974.

JOHN B. RITCH, Jr.,
Director,
Registration Division.

[FR Doc.74–8014 Filed 4–8–74;8:45 am]

CIBA-GEIGY CORP. AND NOR-AM AGRICULTURAL PRODUCTS, INC.

Notice of Filing of Petition Regarding Pesticide Chemical

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408 (d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 4F1477) has been jointly filed by CIBA-GEIGY Corp., Greensboro, NC 27409, and NOR–AM Agricultural Products, Inc. 1275 Lake Avenue, Woodstock, IL 60098, proposing establishment of a tolerance (40 CFR Part 180) for combined residues of the insecticide chlordimeform (*N'*-(4-chloro - *o*-tolyl)-*N,N*-dimethylformamidine) and its metobolites containing the 4 chloro-*o*-toluidine moiety calculated as chlordimeform in or on the raw agricultural commodity pears at 12 parts per million.

The analytical method proposed in the petition for determining residues of the insecticide is a procedure in which the residue is hydrolyzed to *p*-chlortoluidine, steam distilled, and extracted into isooctane. The extract is then diazotized and coupled with *N*-ethyl-1-naphthylamine to produce a purple dye, which is determined colorimetrically at 535 nanometers.

Dated: March 29, 1974.

JOHN B. RITCH, Jr.,
Director,
Registration Division.

[FR Doc.74–8015 Filed 4–8–74;8:45 am]

PENNWALT CORP.

Notice of Establishment of Temporary Tolerances

Pennwalt Corp., Post Office Box 1297, Tacoma, WA 98401, submitted a petition (PP 2G1249) requesting establishment of temporary tolerances for combined residues of the fungicide dimethyl 4,4'-*o*-phenylenebis[3-thiollaphanate] and its metabolite methyl 2-benzimidazolecarbamate (calculated as dimethyl 4,4'-*o*-phenylenebis[3-thioallophanate]) resulting from preharvest and/or postharvest application in or on prunes (intended for the fresh fruit market only), apricots, cherries, nectarines, peaches, and plums (except prunes) at 15 parts per million; apples (intended for the fresh fruit market only) at 7 parts per million; and from preharvest application in or on strawberries at 5 parts per million.

It has been determined that such temporary tolerances will protect the public health. They are therefore established on condition that the fungicide be used in accordance with the temporary permit being issued concurrently and which provides for distribution under the Pennwalt Corp.

These temporary tolerances expire April 3, 1975.

This action is taken pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(j), 68 Stat. 516; 21 U.S.C. 346a(j)), the authority transferred to the Administrator of the Environmental Protection Agency (35 FR 15623), and the authority delegated by the Administrator to the Deputy Assist-

ant Administrator for Pesticide Programs (36 FR 9038).

Dated: April 3, 1974.

HENRY J. KORP,
Deputy Assistant Administrator for Pesticide Programs.

[FR Doc.74-8016 Filed 4-8-74;8:45 am]

SHELL CHEMICAL CO.

Notice of Filing of Petition for Food Additive

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409 (b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 4H5046) has been filed by the Shell Chemical Co., Suite 300, 1700 K Street, NW., Washington, D.C. 20006, proposing establishment of a food additive regulation (21 CFR Part 121) permitting the safe use of the insecticide 2,2-dichlorovinyl dimethyl phosphate in space, spot and/or crack and crevice treatments of food service, manufacturing, and processing establishments including, but not limited to, restaurants, flour mills, supermarkets, and plants handling dairy products, vegetables, oils, candy, macaroni/spaghetti, soft drinks, cake mixes, and cookies.

Dated: March 29, 1974.

JOHN B. RITCH, Jr.,
Director, Registration Division.

[FR Doc.74-8017 Filed 4-8-74;8:45 am]

SUBSURFACE EMPLACEMENT OF FLUIDS

Administrator's Decision Statement #5

The Environmental Protection Agency, in concert with the objectives of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.; 86 Stat. 816 et seq.; Pub. L. 92-500) " . . . to restore and maintain the chemical, physical, and biological integrity of the Nation's water" has established an EPA policy on Subsurface Emplacement of Fluids by Well Injection" which was issued internally as Administrator's Decision Statement No. 5. The purpose of the policy is to establish the Agency's concern with this technique for use in fluid storage and disposal and its position of considering such fluid emplacement only where it is demonstrated to be the most environmentally acceptable available method of handling fluid storage or disposal. Publication of the Policy as information establishes the Agency's position and provides guidance to other Federal Agencies, the States, and other interested parties.

Accompanying the policy statement are "Recommended Data Requirements for Environmental Evaluation of Subsurface Emplacement of Fluids by Well injection well system; and to insure ments is to provide guidance for potential injectors and regulatory agencies concerning the kinds of information required to evaluate the prospective injections well system; and to insure protection of the environment. The Recommended Data Requirements require sufficient information to evaluate complex injection operations for hazardous materials, but may be modified in scope by a regulatory agency for other types of injection operations.

The EPA recognizes that for certain industries and in certain locations the disposal of wastes and the storage of fluids in the subsurface by use of well injection may be the most environmentally acceptable practice available. However, adherence to the policy requires the potential injector to clearly demonstrate acceptability by the provision of technical analyses and data justifying the proposal. Such demonstration requires conventional engineering and other analyses which indicate beyond a reasonable doubt the efficacy of the proposed injection well operation.

Several issues within the policy should be highlighted and explained to avoid confusion. One of the goals of the policy is to protect the integrity of the subsurface environment. In the context of the policy statement, integrity means the prevention of unplanned fracturing or other physical impairment of the geologic formations and the avoidance of undesirable changes in aquifers, mineral deposits or other resources. It is recognized that fluid emplacement by well injection may cause some change in the environment and, to some extent, may preempt other uses.

Emplacement is intended to include both disposal and storage. The difference between the two terms is that storage implies the existence of a plan for recovery of the material within a reasonable time whereas disposal implies that no recovery of the material is planned at a given site. Either operation would require essentially the same type of information prior to injection. However, the attitude of the appropriate regulatory agency toward evaluation of the proposals would be different for each type operation. The EPA policy recognizes the need for injection wells in certain oil and mineral extraction and fluid storage operations but requires sufficient environmental safeguards to protect other uses of the subsurface, both during the actual injection operation and after the injection has ceased.

The policy considers waste disposal by well injection to be a temporary means of disposal in the sense that it is approved only for the life of an issued permit. Should more environmentally acceptable disposal technology become available, a change to such technology would be required. The term "temporary" is not intended to imply subsequent recovery of injected waste for processing by another technology.

Paragraph 5 of the policy and program guidance provides that EPA will apply the policy to the extent of its authorities in conducting all EPA program activities. The applicability of the policy to participation by the several States in the NPDES permit program under section 402 of the Federal Water Pollution Control Act as amended has been established previously by § 124.80(d) of Part 124 entitled "State Program Elements Necessary for Participation in the National Pollutant Discharge Elimination System," 37 FR 28390 (December 22, 1972). These guidelines provide that each EPA Regional Administrator must distribute the policy to the Director of a State water discharge permit issuing agency, and must utilize the policy in his own review of any permits for disposal of pollutants into wells that are proposed to be issued by States participating in the NPDES.

Dated: April 2, 1974.

JOHN QUARLES,
Acting Administrator.

ADMINISTRATOR'S DECISION STATEMENT No. 5

EPA POLICY ON SUBSURFACE EMPLACEMENT OF FLUIDS BY WELL INJECTION

This ADS records the EPA's position on injection wells and subsurface emplacement of fluids by well injection, and supersedes the Federal Water Quality Administration's order COM 5040.10 of October 15, 1970.

Goals. The EPA Policy on Subsurface Emplacement of Fluids by Well Injection is designed to:

(1) Protect the subsurface from pollution or other environmental hazards attributable to improper injection or ill-sited injection wells.

(2) Ensure that engineering and geological safeguards adequate to protect the integrity of the subsurface environment are adhered to in the preliminary investigation, design, construction, operation, monitoring and abandonment phases of injection well projects.

(3) Encourage development of alternative means of disposal which afford greater environmental protection.

Principal findings and policy rationale. The available evidence concerning injection wells and subsurface emplacement of fluids indicates that:

(1) The emplacement of fluids by subsurface injection often is considered by government and private agencies as an attractive mechanism for final disposal or storage owing to: (a) the diminishing capabilities of surface waters to receive effluents without violation of quality standards, and (b) the apparent lower costs of this method of disposal or storage over conventional and advanced waste management techniques. Subsurface storage capacity is a natural resource of considerable value and like any other natural resource its use must be conserved for maximal benefits to all people.

(2) Improper injection of municipal or industrial wastes or injection of other fluids for storage or disposal to the subsurface environment could result in serious pollution of water supplies or other environmental hazards.

(3) The effects of subsurface injection and the fate of injected materials are uncertain with today's knowledge and could result in serious pollution or environmental damage requiring complex and costly solutions on a long-term basis.

Policy and program guidance. To ensure accomplishment of the subsurface protection goals established above it is the policy of the Environmental Protection Agency that:

(1) The EPA will oppose emplacement of materials by subsurface injection without strict controls and a clear demonstration that such emplacement will not interfere with present or potential use of the subsurface environment, contaminate ground water resources or otherwise damage the environment.

(2) All proposals for subsurface injection should be critically evaluated to determine that:

(a) All reasonable alternative measures have been explored and found less satisfactory in terms of environmental protection;

(b) Adequate preinjection tests have been made for predicting the fate of materials injected;

(c) There is conclusive technical evidence to demonstrate that such injection will not interfere with present or potential use of water resources nor result in other environmental hazards;

(d) The subsurface injection system has been designed and constructed to provide maximal environmental protection;

(e) Provisions have been made for monitoring both the injection operation and the resulting effects on the environment;

(f) Contingency plans that will obviate any environmental degradation have been prepared to cope with all well shut-ins or any well failures;

(g) Provision will be made for supervised plugging of injection wells when abandoned and for monitoring to ensure continuing environmental protection.

(3) Where subsurface injection is practiced for waste disposal, it will be recognized as a temporary means of disposal until new technology becomes available enabling more assured environmental protection.

(4) Where subsurface injection is practiced for underground storage or for recycling of natural fluids, it will be recognized that such practice will cease or be modified when a hazard to natural resources or the environment appears imminent.

(5) The EPA will apply this policy to the extent of its authorities in conducting all program activities, including regulatory activities, research and development, technical assistance to the States, and the administration of the construction grants, State program grants, and basin planning grants programs and control of pollution at Federal facilities in accordance with Executive Order 11752.

WILLIAM D. RUCKELSHAUS,
Administrator.

FEBRUARY 6, 1973.

RECOMMENDED DATA REQUIREMENTS FOR ENVIRONMENTAL EVALUATION OF SUBSURFACE EMPLACEMENT OF FLUIDS BY WELL INJECTION

The Administrator's Decision Statement No. 5 on subsurface employment of fluids by well injection has been prepared to establish the Agency's position on the use of this disposal and storage technique. To aid in implementation of the policy a recommended data base for environmental evaluation has been developed.

The following parameters describe the information which should be provided by the injector and are designed to provide regulatory agencies sufficient information to evaluate the environmental acceptability of any proposed well injection. A potential injector should initially contact the regulatory authority to determine the preliminary investigative and data requirements for a particular injection well as these may vary for different kinds of injection operations. The appropriate regulatory authority will specify the exact data requirements on a case by case basis.

(a) An accurate plat showing location and surface elevation of proposed injection well site, surface features, property boundaries, and surface and mineral ownership at an approved scale.

(b) Maps indicating location of water wells and all other wells, mines or artificial penetrations, including but not limited to oil and gas wells and exploratory or test wells, showing depths, elevations and the deepest formation penetrated within twice the calculated zone of influence of the proposed project. Plugging and abandonment records for all oil and gas tests, and water wells should accompany the map.

(c) Maps indicating vertical and lateral limits of potable water supplies which would include both short- and long-term variations in surface water supplies and subsurface aquifers containing water with less than 10,000 mg/l total dissolved solids. Available amounts and present and potential uses of these waters, as well as projections of public water supply requirements must be considered.

(d) Descriptions of mineral resources present or believed to be present in area of project and the effect of this project on present or potential mineral resources in the area.

(e) Maps and cross sections at approved scales illustrating detailed geologic structure and a stratigraphic section (including formations, lithology, and physical characteristics) for the local area, and generalized maps and cross sections illustrating the regional geologic setting of the project.

(f) Description of chemical, physical, and biological properties and characteristics of the fluids to be injected.

(g) Potentiometric maps at approved scales and isopleth intervals of the proposed injection horizon and of those aquifers immediately above and below the injection horizon, with copies of all drill-stem test charts, extrapolations, and data used in compiling such maps.

(h) Description of the location and nature of present or potentially useable minerals from the zone of influence.

(i) Volume, rate, and injection pressure of the fluid.

(j) The following geological and physical characteristics of the injection interval and the overlying and underlying confining beds should be determined and submitted:

(1) Thickness;
(2) areal extent;
(3) lithology;
(4) grain mineralogy;
(5) type and mineralogy of matrix;
(6) clay content;
(7) clay mineralogy;
(8) effective porosity (including an explanation of how determined);
(9) permeability (including an explanation of how determined);
(10) coefficient of aquifer storage;
(11) amount and extent of natural fracturing;
(12) location, extent, and effects of known or suspected faulting indicating whether faults are sealed, or fractured avenues for fluid movement;
(13) extent and effetcs of natural solution channels;
(14) degree of fluid saturation;
(15) formation fluid chemistry (including local and regional variations);
(16) temperature of formation (including an explanation of how determined);
(17) formation and fluid pressure (including original and modifications resulting from fluid withdrawal or injection);
(18) fracturing gradients;
(19) diffusion and dispersion characteristics of the waste and the formation fluid including effect of gravity segregation;
(20) compatibility of injected waste with the physical, chemical and biological characteristics of the reservoir; and
(21) injectivity profiles.

(k) The following engineering data should be supplied:

(1) Diameter of hole and total depth of well;
(2) type, size, weight, and strength, of all surface, intermediate, and injection casing strings;
(3) specifications and proposed installation of tubing and packers;
(4) proposed cementing procedures and type of cement;
(5) proposed coring program;
(6) proposed formation testing program;
(7) proposed logging program;
(8) proposed artificial fracturing or stimulation program;
(9) proposed injection procedure;
(10) plans of the surface and subsurface construction details of the system including engineering drawings and specifications of the system (including but not limited to pumps, well head construction, and casing depth);
(11) plans for monitoring including a multipoint fluid pressure monitoring system constructed to monitor pressures above as well as within the injection zones; description of annular fluid; and plans for maintaining a complete operational history of the well;
(12) expected changes in pressure, rate of native fluid displacement by injected fluid, directions of dispersion and zone affected by the project;
(13) contingency plans to cope with all shut-ins or well failures in a manner that will obviate any environmental degradation.

(l) Preparation of a report thoroughly investigating the effects of the proposed subsurface injection well should be a prerequisite for evaluation of a project. Such a statement should include a thorough assessment of: (1) the alternative disposal schemes in terms of maximum environmental protection; (2) projection of fluid pressure response with time both in the injection zones and overlying formations, with particular attention to acquifers which may be used for fresh water supplies in the future; and (3) problems associated with possible chemical interactions between injected wastes, formation fluids, and mineralogical constituents.

[FR Doc.74-8021 Filed 4-8-74;8:45 am]

FEDERAL MARITIME COMMISSION

AMERICAN WEST AFRICAN FREIGHT CONFERENCE

Notice of Petition Filed

Notice is hereby given that the following petition has been filed with the Commission for approval pursuant to section 14b of the Shipping Act, 1916, as amended (75 Stat. 762, 46 U.S.C. 813a).

Interested parties may inspect a copy of the current contract form and of the petition, reflecting the changes proposed to be made in the language of said contract, at the Washington office of the Federal Maritime Commission, 1100 L Street NW., Room 10126 or at the Field Offices located at New York, N.Y., New Orleans, Louisiana, San Francisco, California, and Old San Juan, Puerto Rico. Comments with reference to the proposed changes and the petition, including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, 1100 L Street NW., Washington, D.C. 20573, on or before April 19, 1974. Any person desiring a hearing on the proposed modification of the contract form and/or the approved contract system shall provide a clear and concise statement of the matters upon which they desire to adduce evidence.

An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the petition as indicated hereinafter), and the statement should indicate that this has been done.

Notice of a petition to extend the termination date of a dual rate contract system filed by:

John K. Cunningham, Chairman, American West African Freight Conference, 67 Broad Street, New York, N.Y. 10004.

Notice that the member lines of the American West African Freight Conference, Agreement No. 7680, as amended, had filed a petition to extend their dual rate contract system, covering the transportation of coffee, cocoa and bulk vegetable oils in less than full shipload lots in the west bound trade of the conference, scheduled to terminate on May 8, 1974, for three years, i.e., until May 7, 1977, was published in the FEDERAL REGISTER on April 1, 1974, in Volume 39 at page 11945.

Notice is hereby given that the parties have revised the above petition by requesting that their dual rate contract system be extended without time limitation, rather than for a period of three years, or until May 7, 1977.

Dated: April 3, 1974.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.74-8127 Filed 4-8-74;8:45 am]

CERTIFICATES OF FINANCIAL RESPONSIBILITY (OIL POLLUTION)

Notice of Certificates Issued

Notice is hereby given that the following vessel owners and/or operators have established evidence of financial responsibility, with respect to the vessels indicated, as required by section 311 (p) (1) of the Federal Water Pollution Control Act, and have been issued Federal Maritime Commission Certificates of Financial Responsibility (Oil Pollution) pursuant to Part 542 of Title 46 CFR.

Certificate No.	*Owner/Operator and Vessels*
01014---	Robert Bornhofen Reederei: *Bate Bridge.*
01063---	E.B. Aaby's Rederi A/S: *Sylvo.*
01073---	N.V.T.V.V.D. Koninklijke Hollandsche Lloyd: *Salland.*
01185---	Aksjeselskapet Kosmos: *Jarabella.*
01229---	Belships Company Limited Skibs-A/S: *Belobo.*
01318---	Aug. Bolten, Wm.-Miller's Nachfolger: *Philemon; Natalie Bolten.*
01562---	G. W. Gladders Towing Co., Inc.: *AOC 2.*
01761---	Union Steam Ship Company of New Zealand Limited: *Union Sydney.*
02146---	Pittston Marine Transport Corporation: *Nassau; Hartford; New London; Suffolk; Samuel H. Herron; W. A. Weber; Cortland; Fulton; Columbia.*
02295---	The Great Eastern Shipping Co., Limited: *Anco Jyoti; Athel Laadki.*
02330---	Oriental Shipping Corporation: *Amvrosios.*
02333---	Diamond Shamrock Corporation: *Star 304.*
02344---	Empresa Lineas Maritimas Argentinas S. A.: *Rio Neuquen.*
02365---	Leon E. Breaux Towing, Inc.: *N.B.C. 465.*
02942---	Seereederei "Frigga" A/S: *Hermod.*
02975---	Venture Shipping (Managers) Ltd.: *Lotus Venture.*
02982---	The Shipping Corporation of India Limited: *Shahjehan.*
03245---	Rederiaktieselskabet Dannebrog: *Weco Supplier I.*
03289---	Det Forenede Dampskibsselskab A/S: *Nopal Surf.*
03291---	Home Lines Inc.: *Doric.*
03482---	Ryutsu Kaiun K.K.: *Ocean Reefer.*
03553---	Skibs-A/S Nanset: *Anco Swan.*
04002---	Compagnie des Messageries Maritimes: *Tellier.*
04136---	Thomas Marine Company: *TT 7000; TT 7001; TT 7002; TT 7003.*
04420---	Navigazione Alta Italia S.P.A.: *Nai Carla; Nai Matteini; Nai Montello.*
04444---	Mid-America Transportation Company: *Arthur E. Snider.*
04518---	Tokusui Kabushiki Kaisha: *Oriento Maru No. 2.*
04884---	Hall Corporation Shipping Ltd.: *Westcliffe Hall.*
04924---	Naptha Barge Co.: *Panama; Suez.*
05003---	Wisconsin Barge Line, Inc.: *Ray A. Eckstein.*
05096---	Esso Tankschiff Reederei GMBH: *Esso Bonn.*
05220---	Jeannette Compania Maritima S.A.: *Olympias.*
05425---	Georgia Transporters, Inc.: *GT-116; GT-118.*
05624---	Pertambangan Minyak Dan Gas Bumi Nasional (Pertamina): *Permina 108.*
05792---	Korea Wonyang Fisheries Co., Ltd.: *No. 103 Koram; No. 6 Korbee; No. 7 Korbee; Kwang Myong 20; Kwang Myong 21.*
05878---	Societe Maritime De Baillon, Inc.: *Maridan C.*
05998---	Navarino Shipping & Transport Co. Ltd. Piraeus: *Charity; Dignity; Humanity; Unity.*
06042---	Luzon Stevedoring Corporation: *CSC-252; L-1911; L-1910; Alyee.*
06885---	Bewa Line A/S: *Sonja Bewa; Conny Bewa.*
07717---	Mississippi Marine Transport Co.: *Mark Shurden.*
08249---	Merrick Shipping Co. Ltd.: *Astro.*
08292---	Diadem Maritime Corporation: *Diadem.*
08330---	Trincargo Shipping Limited: *Domburgh; Westkust.*
08405---	Compagnia Generale Di Navigazione S.P.A.: *Golfo Di Palermo.*
08411---	Fukumaru Gyogyo Kabushiki Kaisha: *Fukumaru No. 5.*
08497---	Babitonga Shipping Corp.: *Babitonga.*
08514---	Everpromoter Line S.A.: *Ever Promoter.*
08536---	Dithmarsia Reederei GMBH & Co. KG Rendsburg: *Fleethorn.*
08577---	Heiner Braasch Schiffahrtsges "Hamburger Flagge": *Hamburger Flagge.*
08617---	Fairmont Enterprises Limited: *Fairwest.*
08642---	Shinwa Steamship Co., (HK) Ltd.: *Asia Gem; Asia Dale.*
08651---	Coral Bulk Carriers, Inc.: *Coral Arcadia.*
08658---	Il Woo Marine Co., Ltd.: *Min Woo No. II.*
08731---	Kamellia Compania Naviera S.A.: *Kriti Sky.*
08764---	Alkipi Shipping Co., S.A.: *Christiana Transoceanic.*
08771---	I/S "Olivia Winther": *Olivia Winther.*
08772---	Partrederiet "Mette Christensen": *Mette Christensen.*
08785---	Maleme Maritime Company Limited: *Cretan History.*
08798---	Carga Mundial Naviera S.A. Panama: *Aristogenis.*
08801---	Nordestal Maritima S.A.: *Donald.*
08805---	Compagnia Di Navigazione Siciliana S.P.A.: *Donna Gabriella.*
08807---	Christian F. Ahrenkiel: *Multitank Badenia; Multitank Rhenania.*
08808---	Partenreederei M/T "Multitank Holsatia": *Multitank Holsatia.*
08809---	Edwin Heyer Schiffahrtskommanditgesellschaft H/S "Nanomark", Bremen: *Roro Dania.*
08810---	Partenreederei M/T "Multitank Westfalia: *Multitank Westfalia.*
08811---	Edwin Heyer Schiffahrtskommanditgesellschaft M/S "Sailormark", Bremen: *Roro Anglia.*
08814---	Matthew Shipping Co. Ltd.: *Samantha M.*
08817---	Epimonos Shipping Corporation of Monrovia, LI: *Epimonos.*
08818---	Venus Carriers Corporation S.A.: *Chrysanthemum.*
08819---	Liberian Crystal Transports, Inc.: *Golden Daisy.*
08820---	Shunyo Kisen Yugen Kaisha: *Kiku Maru.*
08821---	Copemar, S.A.: *Campa de Torres.*
08822---	Hella Carriers Shipping Company, Ltd.: *Carrado.*
08823---	Blue Water Transport, Inc.: *Conoco America; Conoco Canada.*
08824---	Atitlantic Shipping Company S.A.: *Sophia Transoceanic.*
08825---	Diamara Shipping Corp.: *Isabella.*
08826---	Herald Navigation Corp.: *Anco Transoceanic.*
08827---	P.E. Bentsen A/S: *Vera Bentsen.*
08828---	Hellerup Shipping Co. K/S: *Hetland Ranger.*
08829---	Dolphin De Navegacion, S.A.: *Ficus.*
08832---	Polymichanos Shipping Corporation of Monrovia, Liberia: *Polymichanos.*
08834---	Apostolos Maritime Company Limited: *Apostolos A.*
08836---	Interessentskab Heering Christel: *Heering Christel.*
08837---	Helvetica Compania De Navegacion, S.A.: *Cemento Puerto Rico.*
08839---	Opulence Compania Naviera S.A.: *Savvas.*
08841---	Olympia Bulk Carriers Inc. Liberia: *Olympia Carrier.*
08842---	Commonwealth Oil Refining Co., Inc.: *Commonwealth.*
08844---	Proton Corporation, Monrovia, Liberia: *Kavo Matapas.*
08845---	Granvias Oceanicas Armadora S.A. Panama; *Kavo Peiratis.*
08846---	Defteron Corporation, Monrovia, Liberia: *Kavo Maleas.*

Certificate No.	Owner/operator and vessels
08847---	Transporters Mundiales Armadora S.A. Panama: *Kavo Longos.*
08848---	Triton Corporation, Monrovia, Liberia: *Kavo Vrettanos.*
08850---	Navegacores Astrocielo Naviera S.A. Panama: *Kavo Delfini.*
08851---	Intermares Viatlantica Armadora S.A. Panama: *Kavo Alkyon.*
08852---	Tetarton Corporation: *Kavo Yossonas.*
08854---	Interessentskapet Sage Stripe: *Carbo Stripe.*
08855---	Oy Vasa Ocean Carriera AB: *Lisa.*
08858---	Miryung Navigation Co., Ltd.: *Garnet; Jasper; Topaz.*

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.74-8128 Filed 4-8-74;8:45 am]

CERTIFICATES OF FINANCIAL RESPONSIBILITY (OIL POLLUTION)

Notice of Certificates Revoked

Notice of voluntary revocation is hereby given with respect to Certificates of Financial Responsibility (Oil Pollution) which had been issued by the Federal Maritime Commission, covering the below-indicated vessels, pursuant to Part 542 of Title 46 CFR and section 311(p)(1) of the Federal Water Pollution Control Act, as amended.

Certificate No.	Owner/operator and vessels
01015---	A/S Rederiet Odfjell: *Lotos.*
01017---	Westfal-Larsen & Co. A/S: *Falkanger.*
01025---	Bernhard Hanssen & Co.: *Athos.*
01113---	A/S J. Ludwig Mowinckels Rederi: *Borga.*
01209---	Partenreederei "Inga Bastian": *Inga Bastian.*
01328---	Pergamos Shipping Company Limited: *Executive Ventvre.*
01422---	Booth Steamship Company Limited: *Boniface.*
01529---	Oy Pulpships AB: *Taifun.*
01687---	Trinity Shipping Company Limited: *Michalis K.*
01736---	Medomio Compania Naviera S.A. Panama: *Aristanax.*
01797---	Grosvenor Shipping Company Limited: *Horama.*
01930---	Aktieselskabet Dampskibsselskabet Svendborg: *Brigit Maersk; Niels Maersk; Maersk Feeder; Lars Maersk; Hartvig Maersk; Helene Maersk.*
01933---	Dampskibsselskabet AF 1912 Aktieselskab: *Jens Maersk; Hans Maersk; Svend Maersk; Nelly Maersk; Hulda Maersk; Bella Maersk.*
02013---	Granges AB: *Nuolja.*
02129---	Ore Carriers Limited: *Oremina.*
02146---	Pittston Marine Corporation: *Suffolk; Columbia; W. A. Weber; Nassau; Hartford; Fulton; Cortland; Samuel H. Herron; New London.*
02192---	Eretria Development Corp. S.A.: *Mikrasiatis.*
02198---	The Peninsular & Oriental Steam Navigation Company: *Orsova.*
02249---	Fisser & V. Doornum: *Esperanto.*
02260---	Garibaldi Soc. Cooperativa Di Navigazione a Responsabilita Limitata: *San Nicola.*
02341---	Koninklijke Nederlandsche Stoombootmaatscgappi N.V.: *Theron.*
02368---	The Canadian Pacific Steamships Limited: *C P Ambassador; C P Explorer.*
02375---	Enomena Shipping Corporation: *Anemone.*
02462---	Hellenic Lines, Limited: *Turkia; Hollandia; Hellenic Sailor; Italia.*
02498---	Chevron Oil Company: *Z-71.*
02620---	Partenreederei M.V. Ernst G. Russ: *Ernst G. Russ.*
02673---	John Hudson Fuel & Shipping Co. Ltd.: *Hudson Trader; Bel Hudson.*
02715---	Allied Towing Corporation: *Hot Oil 17.*
02956---	Ashland Oil, Inc.: *Grace; George; Tracy; Governor.*
03279---	Delta Steamship Lines Inc.: *Del Norte; Del Sud; Del Mar; Del Valle.*
03289---	Det Forenede Dampskibsselskab A/S: *Magnolia; Athos.*
03291---	Home Lines Inc.: *Homeric.*
03394---	Interessentskapet Norse Lady: *Norse Lady.*
03468---	Nihonkai Kisen Kabushiki Kaisha: *Oppama Maru.*
03554---	Interessentskapet Saga Swan: *Anco Swan.*
03566---	Skibsaktieselskapet Aino, Skibsaksjeselskapet Viator, Skibsaksjeselskapet Viva: *Arica.*
03885---	Transoceanic Transportation Company: *Iliade.*
04019---	Nord Transport Strandheim & Stensaker: *Hansa Bay; Bergfalck.*
04030---	First Delta Shipping Inc.: *Belle Michaels.*
04031---	Intercontinental Shipping Corp.: *Batna.*
04098---	Hougland Barge Line, Inc.: *WGH 15.*
04212---	Nilo Barge Line, Inc.: *SDA-1; OMCC 615.*
04265---	Kerketis Compania Maritima S.A.: *Capetan.*
04433---	Allied Chemical Corporation: *Barge AC 4.*
04461---	Maritima Astur S.A.: *Gaviota.*
04493---	Kabushiki Kaisha Kanagawa-Ken Suisan Kosha: *Shinkomaru.*
04556---	Nihon Hogei Kabushiki Kaisha: *Ryushomaru No. 3.*
04640---	McAllister Lighterage Line Inc.: *Sheridan; Lincoln; Frank E. Guy; Mars.*
04700---	Kustvaartbedrijf J.J. Oyevaar: *Candide.*
04803---	Brent Towing Company, Inc.: *Ponce; NBL-4; NBL-3.*
04804---	Weathers Towing Company, Inc.: *George Weathers.*
05004---	Flowers Transportation Inc.: *Magnolia.*
05016---	Hess Oil Virgin Islands Corp.: *Teague Gay; Turquoise Bay.*
05026---	Linea Oceanica Peruana SA: *Paracas.*
05033---	Connecticut Towing, Inc. & Gasland, Inc.: *Eileen T; New Haven.*
04036---	Companhia Nacionale De Navegacao: *Rovuma; Mocamedes.*
05093---	Esso Marine (Belgium) S.A.: *Esso Ghent; Esso Liege.*
05365---	Hokko Kaiun Kabushiki Kaisha: *Wakashio Maru No. 21.*
05455---	Sameiet M/S Fro: *Fro.*
05456---	D/S A/S ASK: *Roy.*
05500---	Petroleos Mexicanos: *Francisco J. Mugica.*
05636---	Takashiromaru Kaiun Kabushiki Kaisha: *Takashiro Maru No. 18.*
05721---	Marcaminos Armadora S.A. of Panama: *Auracios Colotronis.*
05817---	Liberian Transport Navigation S.A.: *Don Aurelio.*
06298---	Tore Ulff AB: *Polar Viking.*
06339---	Panoceanic Marine Products Company Incorporated: *Ocean Glory No. 3; Endeavourers No. 7.*
06384---	Mercury Shipping Co., Ltd.: *Tredan.*
06757---	Adelais Maritime Co. Ltd.: *Aegis Dignity.*
06814---	Navegadora Tropica S.A.: *Patagonia.*
07342---	United Maritime Management Co. (PTE) Ltd.: *Lien Fung.*
07421---	Komrowski Befrachtungskontor KG: *Duburg.*
07659---	E. Z. Worsley: *George D. Worsley.*
07725---	Utgeroarfelag Olafsfjaroar H. F.: *Olafur Bekkur.*
07762---	Jokull Ltd.: *Raudinupur.*
07798---	Hvalbakur H/F: *Hvalbakur.*
07801---	Judge Oil Transport, Inc.: *Peck Slip.*
07880---	Logicon, Inc.: *NBC 980.*
08255---	Veb Deutsche Seereederei: *Neubrandenburg; Radeburg.*
08218---	Salimar S. A.: *Emma.*
08337---	Oredian Maritime Navigation Co. Ltd.: *Marichance.*
08711---	Philip Morris Incorporated: *Pioneer Valley.*

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.74-8129 Filed 4-8-74;8:45 am]

FEDERAL POWER COMMISSION

[Docket No. RP72-140]

GREAT LAKES GAS TRANSMISSION CO.

Notice of Proposed Changes in FPC Gas Tariff

APRIL 3, 1974.

Take notice that Great Lakes Gas Transmission Company (Great Lakes), on March 15, 1974, tendered for filing Ninth Revised Sheet No. 57 (Eighth Revised PGA-1) to its FPC Gas Tariff, First Revised Volume No. 1, proposed to be effective May 1, 1974.

Great Lakes states that the sole purpose of filing this revised tariff sheet is to reflect the purchased gas cost surcharge rate adjustment, resulting from maintaining an unrecovered purchased gas cost account for the period commencing September 1, 1973 and ending February 28, 1974.

Great Lakes states that copies of this filing have been served upon all its customers and the Public Service Commissions of Michigan and Wisconsin.

Any person 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. 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 April 19, 1974. 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.74-8082 Filed 4-8-74;8:45 am]

[Project No. 559]

SAN DIEGO GAS & ELECTRIC CO.

Notice of Application for New Transmission Line License

APRIL 3, 1974.

Public notice is hereby given that application for transmission line license was filed March 4, 1974, under the Federal Power Act (16 U.S.C. 791a—825r) by San Diego Gas & Electric Company (Correspondence to: Gordon Pearce, Esq., San Diego Gas & Electric Company, P.O. Box 1831, San Diego, California 92112; Copies to: Friedman, Heffner, Kahan & Dysart, Vincent P. Master, Jr., Esq., Attorneys at Law, Suite 900, 1010 Second Avenue, San Diego, California 92101) for its Transmission Line License Project No. 559, located in the vicinity of Escondido in the County of San Diego, California, and affecting lands of the United States within the Rincon Mission Indian Reservation in sections 26 and 35, T.10 S., R. 1W., San Bernardino Meridian and section 2, T.11 S., R. 1W., San Bernardino Meridian.

The existing project consists of a 12-kV woodpole transmission line, approximately 2.42 miles long, extending from the Rincon Power Plant of the Escondido Mutual Water Company's Project No. 176 northerly to the northern boundary of Rincon Mission Indian Reservation and connecting with Applicant's Rincon Substation, portions of which line are located in rights-of-way granted to Applicant by the County of San Diego. The 12-kV line will be carried for approximately 1.80 miles on cross-arms attached to poles also carrying Applicant's 69-kV transmission line extending from Escondido, California, to the Rincon Substation.

The original license for the transmission line was issued on March 5, 1925, for a period of fifty years and will expire at the end of that time period.

Any person desiring to be heard or to make protest with reference to said application should on or before June 10, 1974, 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 of practice and procedures. The application is on file with the Commission and is available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc.74-8083 Filed 4-8-74;8:45 am]

[Docket No. CP74-235]

LONE STAR GAS CO.

Notice of Application

APRIL 3, 1974.

Take notice that on March 14, 1974, Lone Star Gas Company (Applicant), 301 South Harwood Street, Dallas, Texas 75201, filed in Docket No. CP74-235 an application pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon the operation of certain facilities and the transportation of natural gas in interstate commerce, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The application states that Applicant currently serves the West Texas Utilities' Lake Pauline Power Plant in Hardeman County, Texas, by means of its interstate Line A-14. Applicant proposes to abandon interstate gas service to the Lake Pauline Power Plant and requests permission and approval to abandon said Line A-14 consisting of approximately 18,246 feet of 8-inch pipe and a 6-inch flanged check valve from interstate use. Applicant proposes to convert Line A-14, through the installation of blind flanges and the utilization of an existing connection with Applicant's intrastate Line 71, into an intrastate line and provide the natural gas requirements of the Lake Pauline Power Plant from adjacent intrastate supplies.

Applicant states further that abandonment of Line A-14 and removal of the Lake Pauline Power Plant from the interstate market will allow conservation of the interstate gas supplies and prolong availability of these supplies to consumers whose requirements must be met solely by interstate gas supplies. Applicant alleges that Lake Pauline Power Plant demands will be served from more abundant intrastate supplies and no dimunition of service will be evidenced by any customer, either interstate or intrastate.

Any person desiring to be heard or to make any protest with reference to said application should on or before April 23, 1974, 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.

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 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 Applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.74-8085 Filed 4-8-74;8:45 am]

[Docket No. E-8678]

MONTAUP ELECTRIC CO.

Notice of Proposed Amendment to Rate Schedule

APRIL 3, 1974.

Take notice that on March 21, 1974 Montaup Electric Company (Montaup), and its three owner companies, Fall River Electric Light Company, Brockton Edison Company and Blackstone Valley Electric Company, tendered for filing a proposed amendment dated March 4, 1974 to an agreement among these companies dated September 11, 1923.

Montaup states that the proposed amendment contains four operative provisions. The first of these permits each of the three owner companies to create, or permit to exist, any pledge of or lien on all or part of the Montaup securities which it owns subject to certain stated restrictions on any such pledge or lien. The second permits each of the three owner companies to dispose of all of their Montaup securities and continue to be a party to the Montaup contract. The third provides that when additional investments are required by the owner companies in Montaup, the investments can be adjusted to be proportional to each company's estimated unrelayed maximum demand for the next twelve months, or can be adjusted as determined by the directors of Montaup and agreed to by the three owner companies. Fourth, the provision in the original agreement for adjustment payments to and from the three owner companies when non-proportional amounts of capital are furnished to Montaup, is deleted. Montaup requests an effective date of April 20, 1974 for the proposed amendment.

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 April 15, 1974. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make pro-

testants 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.74-8084 Filed 4-8-74;8:45 am]

[Docket No. CP74-232]

COLUMBIA GULF TRANSMISSION CO. AND TEXAS GAS TRANSMISSION CORP.

Notice of Application

APRIL 3, 1974.

Take notice that on March 11, 1974, Columbia Gulf Transmission Company (Columbia Gulf), P.O. Box 683, Houston, Texas 77001, and Texas Gas Transmission Corporation (Texas Gas), P.O. Box 1160, Owensboro, Kentucky 42301, filed in Docket No. CP74-232 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing Applicants to construct and operate natural gas pipeline facilities near Calumet, St. Mary Parish, Louisiana, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicants propose to construct and operate pipeline crossings through the use of a suspension bridge across the Wax Lake Outlet near Calumet, Louisiana. Columbia Gulf and Texas Gas further propose to install and operate thereon 20-inch and 30-inch pipelines, respectively, together with individual header and connecting lines. Applicants state that Louisiana Intrastate Gas Corporation (Louisiana Intrastate) proposes to install and operate a 12-inch pipeline thereon and reserves the right to construct and operate an additional 12-inch pipeline at some time in the future, together with headers and connecting lines and appurtenant facilities.

Applicants state that the proposed aerial crossing will aid in ensuring continuity of service to Applicants' customers since Applicants' presently submerged pipelines across the Wax Lake Outlet are subject to loss due the current in the Outlet. Applicants state that during recent flooding in Louisiana, Columbia Gulf lost a 16-inch pipeline across the outlet and it is Applicant's understanding that a total of 11 pipelines were so lost.

Applicants estimate the cost of the facilities proposed to be installed to be $995,000. Applicants state that the suspension bridge will be jointly owned by Columbia Gulf, Texas Gas and Louisiana Intrastate which will share in the cost of construction and operation. It is anticipated that Texas Gas shall own an undivided 42.86 percent in the structure, Columbia Gulf an undivided 27.69 percent therein with the balance to be owned by Louisiana Intrastate. Each company is to own its own pipeline, together with headers, connecting lines, and appurtenant facilities and there is to be no commingling of gas of Columbia Gulf, Texas Gas. or Louisiana Intrastate.

Any person desiring to be heard or to make any protest with reference to said application should on or before April 23, 1974, 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) 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.

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, hearings will be held without further notice before the Commission on these applications if no petitions to intervene are filed within the time required herein, if the Commission on its own review of the matters finds that grants of the certificates are required by the public convenience and necessity. If petitions for leave to intervene are timely filed, or if the Commission on its own motion believes that formal hearings are required, further notice of such hearings will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearings.

KENNETH F. PLUMB,
Secretary.

[FR Doc.74-8086 Filed 4-8-74;8:45 am]

[Docket No. CP74-236]

NORTHERN NATURAL GAS CO.

Notice of Application

APRIL 3, 1974.

Take notice that on March 19, 1974, Northern Natural Gas Company (Applicant), 2223 Dodge Street, Omaha, Nebraska 68102, filed in Docket No. CP74-236 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain facilities necessary to develop, operate, and maintain the Arbuckle Formation of the Lyons Gas Field in Rice County, Kansas, as an underground gas storage reservoir, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to construct, over a five-year period, facilities to develop the presently abandoned Lyon Gas Field located near Lyons, Kansas, as an underground gas storage reservoir. The Lyons Field is an anticlinal structural trap underlying approximately 8,490 acres. The Arbuckle Formation was discovered in 1937 and abandoned in 1948 after it had been depleted of its recoverable reserves amounting to approximately 14,000,000 Mcf of gas. During 1973, Applicant secured leases on 6,230 acres overlying the field and drilled two test wells which indicated that the physical characteristics of the Arbuckle Formation are well suited for the injection and withdrawal of natural gas.

In order to develop the Arbuckle Formation for gas storage purposes, Applicant proposes to drill 26 gas injection-withdrawal wells, 11 observation wells and 2 water disposal wells. Other field facilities to be constructed include approximately 7.6 miles of 4-, 6-, 8-, 10-, and 12-inch gathering lines, 7.2 miles of 3- and 4-inch water lines, 6.3 miles of access roads, 7 field dehydration units, wellhead metering and separator facilities and a combination warehouse-office control building. Applicant states further that a 16-inch pipeline 15.7 miles in length will connect the Lyons Field to Applicant's Bushton Compressor Station. Compression required both for injection and withdrawal operations will be performed with compressor units presently installed at the Bushton Station; and no new compressor facilities will be required, however, 2 existing 2,000 horsepower units will be re-piped and modified to accommodate storage service in 1975.

Applicant states that the ultimate design withdrawal capacity of the proposed storage field is estimated to be 130,000 Mcf per day and 12,000,000 Mcf annually. Initial gas injections are scheduled to commence in the spring of 1975 with first withdrawals being made during the 1976-77 heating season.

Applicant states that it has been experiencing a depletion of reserves due to its inability to contract for sufficient new supplies to offset a decline in reserves. As a result of this depletion of reserves, the peak and average day production capability from Applicant's traditional supply sources has decreased. Applicant states that the proposed storage field, which is located in the supply area, will permit Applicant to manage better available supplies by allowing Applicant to store gas produced during off-peak periods to augment the average day production capacity of such sources during the heating season and to provide peaking ability to respond to system supply requirements during peak period.

Applicant states that the total estimated cost of developing the proposed storage field is $27,253,000, which Applicant will finance from cash on hand and from funds generated from operations.

Any person desiring to be heard or to make any protest with reference to said application should on or before April 23, 1974, 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 Com-

mission 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 Commssion 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.74-8087 Filed 4-8-74;8:45 am]

[Docket No. E-8657]

INTERSTATE POWER CO.

Notice of Filing of Agreement

APRIL 3, 1974.

Take notice that Interstate Power Company (Interstate) on March 8, 1974, tendered for filing an agreement dated February 18, 1974, between Interstate and the Public Utilities Commission, Springfield, Minnesota (Springfield). The agreement calls for the Interstate to make available various optional categories of electric service, non-firm in nature, to Springfield.

Interstate requests that an effective date be established by subsequent letter, based upon the completion date of the required service facilities. Interstate states this filing precedes such effective date by more than 90 days.

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 should be filed on or before April 22, 1974. 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.74-8088 Filed 4-8-74; 8:45 am]

[Docket No. E-8684]

CAROLINA POWER & LIGHT CO.

Notice of Filing of Supplement

APRIL 3, 1974.

Take notice that Carolina Power & Light Company (Carolina) on March 22, 1974, tendered for filing original Sheet No. 25(d) to its contract FPC No. 64, dated January 5, 1956, with Randolph Electric Membership Corporation (Randolph). The said Sheet provides for a new point of delivery in Carolina's Asheboro-Liberty 69 KV line to be known as Grey's Chapel. Carolina states it will provide an initial demand of 2500 K including an allotment to Randolph for SEPA Power. Carolina further states that the said Sheet also provides for Randolph receiving service at 115 KV when the Asheboro-liberty line is converted from 69 KV to 115 KV.

Carolina proposes an effective date of May 1, 1974, for said Sheet.

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 April 17, 1974. 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.74-8089 Filed 4-8-74;8:45 am]

[Docket No. RP65-59, etc.]

TEXAS EASTERN TRANSMISSION CO. AND TRANSCONTINENTAL GAS PIPE LINE CORP.

Notice of Request To Order Payment of Refunds

APRIL 3, 1974.

Take notice that on February 8, 1974 Consolidated Gas Supply Corporation (Consolidated) transmitted a request that the Federal Power Commission direct Texas Eastern Transmission Company (Texas Eastern) and Transcontinental Gas Pipe Line Corporation (Transcontinental), two of its pipeline suppliers, to release to Consolidated refunds allegedly due it pursuant to outstanding orders.

Consolidated asserts that it is entitled to refunds from Texas Eastern in the principal amount of $1,411,074 as of January 16, 1967, pursuant to the order issued in Docket No. RP65-59. It further asserts that Transcontinental is retaining funds due Consolidated in the following dockets:

Docket No.	Principal	Interest to Nov. 30, 1973	Total
RP61-13	$70,313.49	$25,564.27	
G-18783	14,397.52	5,283.96	
G-8487 and G-5258	8.25	2.58	
RP67-3	11,438.30	3,135.62	
Total	96,157.56	33,986.43	130,143.99

Consolidated states that both suppliers have informally expressed their willingness to pay such refunds to Consolidated and that Consolidated will distribute them to its jurisdictional customers on a volumetric basis over the appropriate periods.

Any person 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. 20426, in accordance with Sections 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 April 23, 1974. 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.74-8090 Filed 4-8-74;8:45 am]

[Docket Nos. RP72-155 and RP73-104]

EL PASO NATURAL GAS CO.

Order Authorizing Modification of Existing Purchased Gas Adjustment Clause

MARCH 29, 1974.

On February 14, 1974, El Paso Natural Gas Company (El Paso) tendered for filing forty-two tariff sheets (see Appendix A) to its FPC Gas Tariff Volume No. 1, Third Revised Volume 2 and Original Volume No. 2A. The proposed tariff sheets would (1) establish a new Purchased Gas Adjustment Clause (PGAC) to become effective January 1, 1974, for certain rate schedules[1] (Clean High Pressure Gas rate schedules); (2) modify the presently effective PGAC, effective January 1, 1974, to permit rate adjustments of certain "keyed" rate schedules[2] not presently covered by its present PGAC; (3) provide original "Statement of Rates" tariff sheets for Volumes 2 and 2A applicable to the aforementioned rate schedules; and (4) provide revised "Statement of Rates" tariff sheets, to be-

[1] Rate Schedules FS-3, FS-6, FS-7, FS-10, FS-12, FS-31 and FS-32 to Original Volume No. 2A.

[2] Rate Schedules X-7, X-14, X-25, X-30 to Revised Volume No. 2 and Rate Schedules FS-25, FS-26, FS-27, FS-28, FS-29, FS-30, FS-34, FS-35 and FS-45 to Original Volume No. 2A. These rate schedules are referred to as "keyed" since they provide for a rate identical to the rate in effect from time to time under a designated rate schedule contained in Original Volume No. 1.

come effective April 1, 1974, containing an adjustment in the stated rate levels to reflect increases in the cost of purchased gas applicable to the rate schedules designated in footnotes 1 and 2 *supra*.

Upon examination of El Paso's proposed PGAC pertaining to Clean High Pressure Rate Schedules, we find that it is proper and in conformance with Commission Order No. 452. The special rate schedules contained in Volume 2A include pricing adjustment clauses whereby El Paso may increase rate levels within the special rate schedules to reflect increases in the cost of clean high pressure pipeline gas purchased from suppliers within a designated area.[3] The separate PGAC for Clean High Pressure rate schedules would establish a purchase gas adjustment procedure similar to the currently effective PGAC except for listing the suppliers to be utilized in the calculation of purchased gas costs.

In addition to the establishment of the proposed PGAC–Clean High Pressure provision, El Paso included as part of the instant filing, First Revised Sheet No. 1–D to its FPC Gas Tariff, Original Volume No. 2A, reflecting the first rate adjustment under the new provision. The revised sheet reflects an increase of 7.5351¢ per Mcf in the rates of the seven special clean high pressure rate schedules to recover increases in purchase gas costs from the designated area since June of 1970. It is intended to supersede Original Sheet No. 1–D which established base tariff rates including a current component for the weighted average purchased gas cost of 19.3434¢ per Mcf.

Thus, the superseding sheet reflected an increase in the weighted average purchased gas cost to 26.8785¢ per Mcf based upon the actual costs of purchased gas for the month of December, 1973.

Rate adjustments for purchase gas costs can be made only after establishing a current base cost of purchase gas.[4] Upon examination of the instant filing, we have determined that the base cost of purchased gas established by the proposed PGAC-Clean High Pressure Gas would be the current 26.875¢ per Mcf and not the 19.343¢ per Mcf cost of purchased gas in June, 1970. Therefore, no purchased gas rate adjustment is appropriate and accordingly, we shall reject the tendered sheet.

Upon consideration of the proposed revision of the existing PGAC to include the keying provision described above, we find the proposal to be proper and in conformance with Commission Order No. 452. We shall, therefore, accept the proposed modification.

El Paso also filed revised tariff sheets[5] reflecting rate increase adjustments of 2.71¢ per Mcf in its keyed rate schedules to be effective April 1, 1974. The increase is identical to that reflected in El Paso's semi-annual rate adjustment filed for under its existing PGAC, Original Volume No. 1. We have this day issued an order accepting that increase, and suspending it for one day until April 2, 1974, subject to refund. Accordingly, we shall also accept, and suspend until April 2, 1974, subject to reduction and refund, El Paso's adjustment under its proposed modified PGAC as it applies to the keyed rate schedules.

El Paso requests waiver of the Commission's notice requirements to permit the proposed PGAC's to become effective January 1, 1974, so that it can commence accumulating appropriate changes and credits to Account 191 Unrecovered Purchased Gas Cost, particularly as they relate to clean high pressure gas. Upon consideration of El Paso's request, we have concluded that the company has not demonstrated sufficient cause for granting of the waiver. Therefore, we shall accept those tariff sheets relating to the modification of El Paso's existing PGAC and those establishing a separate PGAC for clean high pressure gas, to become effective March 17, 1974, thirty days after filing.

Public notice of El Paso's filing was issued March 7, 1974, with protests and petitions to intervene due on or before March 18, 1974. On March 18, 1974, a petition to intervene was filed by American Smelting and Refining Company, Compania Minera De Cananea, S.A. De C.V., Inspiration Consolidated Copper Company and Kennecott Copper Corporation. In their petition the companies allege that revision of El Paso's existing PGAC will directly affect each of them. Petitioners do not request a hearing in this matter, but seek to intervene in order to insure that their interests are adequately represented. We shall permit such intervention.

The Commission finds:

(1) Good cause exists for accepting for filing El Paso's proposed PGAC-Clean High Pressure.

(2) El Paso's tendered Original Sheet 1–D and superseding First Revised Sheet 1–D to Original Volume No. 2A, Statement of Rates For Group II (Clean High Pressure Rate Schedules) does not properly reflect the current base cost of purchased gas, and should be rejected.

(3) Good cause exists for accepting for filing El Paso's proposed modification of its currently effective PGAC.

(4) Good cause exists to accept the proposed rate adjustments for the keyed rate schedules under the modified PGAC subject to the conditions set forth in ordering Paragraph D.

(5) Good cause for waiver of the Commission's notice requirements has not been demonstrated by El Paso in its tendered filing.

(6) The participation of the above-named petitioners in this proceeding may be in the public interest.

The Commission orders:

(A) El Paso's proposed PGAC-Clean High Pressure is hereby accepted for filing to become effective March 17, 1974.

(B) Those rate adjustments proposed under the PGAC-Clean High Pressure provision are rejected, and El Paso shall, within 30 days of the issuance of this order, file Original Sheet No. 1–D to Original Volume No. 2A, Statement of Rates For Group II (Clean High Pressure Rate Schedules) which properly restates the current base cost of purchased gas.

(C) El Paso's proposed modification to its existing PGAC is hereby accepted for filing to become effective March 17, 1974.

(D) The proposed rate adjustments under the modified PGAC, as they apply to the keyed rate schedules, are hereby accepted and suspended until April 2, 1974, shall be subject to reduction and refund consistent with the Commission's findings in the proceedings prescribed in our order issued this date relating to El Paso's proposed semi-annual PGAC adjustment.

(E) The above-named petitioners are hereby permitted to intervene in the present proceeding, subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such intervenors shall be limited to matters affecting asserted rights and interests specifically set forth in their petition to intervene, and *Provided, further,* That the admission of such intervenors shall not be construed as recognition by the Commission that they might be aggrieved because of any order or orders issued by the Commission in this proceeding.

(F) The Secretary shall cause prompt publication of this order in the FEDERAL REGISTER.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.74–8091 Filed 4–8–74;8:45 am]

[3] Areas other than the San Juan Basin and Rocky Mountain areas.

[4] See Commission Order No. 452 issued April 14, 1972 and Commission Order No. 452–A issued June 13, 1972.

[5] First Revised Sheet 1–D to its Third Revised Volume No. 2 and Third Revised Sheet 1–C to its Original Volume No. 2A.

INDICATED DISPARITY IN REPORTING OFFSHORE LOUISIANA NATURAL GAS RESERVES

Notice of Meeting With American Gas Assn.

APRIL 5, 1974.

Take notice that a meeting with the staff of the American Gas Association will be held in Room 6200 of the Federal Power Commission offices, 825 North Capitol Street NE., Washington, D.C. on Tuesday April 16, 1974 at 10 a.m. to discuss Appendix B–1 of a "Report on Indicated Disparity in Reporting Offshore Louisiana Non-Associated Natural Gas Reserves" dated March 1974.

This meeting between the staff of the American Gas Association and representatives of the Bureau of Natural Gas will be open to the public.

MARY B. KIDD,
Acting Secretary.

[FR Doc.74–8261 Filed 4–8–74;9:57 am]

FEDERAL RESERVE SYSTEM

FIRST NATIONAL CORP.

Order Approving Acquisition of an Existing Bank

First National Corporation, Appleton, Wisconsin, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)), to acquire 80 percent or more of the voting shares of The Community Bank, De Pere, Wisconsin ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Federal Reserve Bank of Chicago has considered the application in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is the 11th largest banking organization in Wisconsin, with five banks and combined deposits of $128.6 million, representing 1.0 percent of the total commercial bank deposits in the State. Consummation of the proposed transaction would increase Applicant's combined deposits by only one tenth of a percentage point but its rank in the State would be tenth.

Bank (deposits of $13.0 million [1]) is the smaller of two banks in De Pere and is located in the Green Bay banking market.[2] Bank ranks eighth out of the ten banking organizations represented in the market with 3.0 percent of total commercial bank deposits. Banking offices of the four largest banking organizations in the market collectively account for 77 percent of the total market commercial bank deposits. The banking office of Applicant that is nearest to Bank is a small bank (deposits of $3.4 million), located 13 miles southwest of Bank and in another banking market. There is no significant existing competition between that bank or any of Applicant's other banking subsidiaries and Bank. Less than one-half of one percent of Bank's deposits and loans are derived from the service areas of Applicant's subsidiary banks; and none of those subsidiaries derives as much as two percent of its business from the service area of Bank. It is concluded that competitive considerations are consistent with approval of the application.

The financial condition, managerial resources and prospects of Applicant and its existing subsidiary banks are regarded as satisfactory. Bank appears to have sound financial resources and satisfactory management, and its future prospects are viewed as favorable, particularly in view of commitments that have been made to increase Bank's capital. Banking factors are regarded as consistent with approval.

It appears that the financial needs of the De Pere area are being satisfactorily met. Applicant plans no immediate changes in Bank's basic services but does plan to introduce trust, investment, advisory, and computer services. Convenience and needs considerations are consistent with approval.

Accordingly, it is this Federal Reserve Bank's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record as summarized above, the Federal Reserve Bank of Chicago approves the application, provided that the transaction shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order unless such period is extended for good cause by the Board or this Federal Reserve Bank pursuant to delegated authority.

By order of the Federal Reserve Bank of Chicago, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, effective March 26, 1974.

[SEAL] ROBERT P. MAYO,
President.

[FR Doc.74-8030 Filed 4-8-74;8:45 am]

[1] Deposit data as of June 30, 1973.

[2] The Green Bay banking market is the relevant marketing area and is approximated by all of the Green Bay SMSA except for the outlying areas of the relatively isolated, small and distant banks.

SOUTH CAROLINA NATIONAL CORP.

Proposed Acquisition of Insurance Premium Discount Company

South Carolina National Corporation, Columbia, South Carolina, has applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to acquire voting shares of Insurance Premium Discount Company, Morganton, North Carolina. Notice of the application was published on February 27, 1974, in The News-Herald, a newspaper circulated in Morganton, North Carolina.

Applicant states that the proposed subsidiary would engage in the activity of financing insurance premiums. Such activities have been specified by the Board in § 225.4(a) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

Interested persons may express their views on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question should be accompanied by a statement summarizing the evidence the person requesting the hearing proposes to submit or to elicit at the hearing and a statement of the reasons why this matter should not be resolved without a hearing.

The application may be inspected at the offices of the Board of Governors or at the Federal Reserve Bank of Richmond.

Any views or requests for hearing should be submitted in writing and received by the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than April 29, 1974.

Board of Governors of the Federal Reserve System, April 1, 1974.

[SEAL] THEODORE E. ALLISON,
Assistant Secretary of the Board.

[FR Doc.74-8031 Filed 4-8-74;8:45 am]

CONIFER GROUP INC.

Acquisition of Bank

The Conifer Group Inc., Worcester, Massachusetts, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 79.9 per cent or more of the voting shares of Merchants Bank and Trust Company of Cape Cod, Barnstable, Massachusetts. The factors that are considered in acting on the application are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

The application may be inspected at the office of the Board of Governors or at the Federal Reserve Bank of Boston. Any person wishing to comment on the application should submit views in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, to be received not later than April 25, 1974.

Board of Governors of the Federal Reserve System, April 1, 1974.

[SEAL] THEODORE E. ALLISON,
Assistant Secretary of the Board.

[FR Doc.74-8032 Filed 4-8-74;8:45 am]

UNITED FIRST FLORIDA BANKS, INC.

Order Approving Acquisition of Bank

United First Florida Banks, Inc., Tampa, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 90 per cent or more of the voting shares of The American Guaranty Bank of Tallahassee, Tallahassee, Florida ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fourth largest banking organization in Florida, controls 41 banks with total deposits of $1.4 billion, representing 6.6 per cent of total deposits

of commercial banks in Florida.[1] Since Bank is a proposed new bank, consummation of the proposed acquisition would not immediately increase Applicant's share of commercial bank deposits in the State.

Applicant presently has one subsidiary bank, the People's Bank of Tallahassee, located in the Tallahassee-Leon County banking market, the relevant market, with deposits of $22.5 million, representing 9 per cent of the total commercial bank deposits in the market. Since Bank is a proposed new bank, Applicant's acquisition of Bank would not immediately increase Applicant's share of commercial bank deposits in the market nor would it have any significant adverse effects on existing or potential competition in the market.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as satisfactory in light of Applicant's commitments to increase capital in some of its subsidiary banks. Bank, a proposed new bank, has no financial or operational history; however, its prospects as a subsidiary of Applicant appear favorable. Considerations relating to the banking factors are consistent with approval of the application. While there is no evidence in the record that the banking needs of the community to be served are not presently being met, Applicant states that it will provide trust and expanded mortgage lending services to Bank, as well as management training and a source for loan participations and technical advice. Accordingly considerations relating to convenience and needs of the community to be served lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors,[2] effective April 1, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8033 Filed 4-8-74;8:45 am]

SECURITY NEW YORK STATE CORPORATION

Order Approving Acquisition of Bank

Security New York State Corporation, Rochester, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to Glen National Bank and Trust Company, Watkins Glen, New York ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of all of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls eight banks with aggregate deposits of $721 million, representing 0.7 per cent of total deposits in commercial banks in New York State and ranks sixteenth among the State's 35 bank holding companies. (All banking deposit data are as of June 30, 1973, all market deposit data are as of June 30, 1972; and reflect holding company formations and acquisitions approved through January 31, 1974.) The acquisition of Bank would increase Applicant's share of State deposits by less than one-half of one percentage point.

Bank (deposits of $15 million) is the sixth largest of nine banks competing in the Elmira-Corning banking market[1] and controls 4.6 per cent of the total commercial bank deposits in that market. Applicant controls a subsidiary bank, First Bank and Trust Company of Corning ("First Corning"), also located in the Elmira-Corning market, where it holds 11.1 per cent of the area's commercial bank deposits. Consummation of the proposed transaction would give Applicant control of 15.7 per cent of deposits in the market, and it would remain the third largest banking organization in a market in which approximately 60 per cent of the total deposits are held by the two largest banking organizations.

Bank derives less than 0.2 per cent of its deposits and loans from the service area of First Corning. Similarly, First Corning derives only an insignificant portion of its deposits and loans from the service area of Bank, which is 23 miles distant. It appears, therefore, that the two banks are serving primarily different segments of the Elmira-Corning banking market.

The possibility of greater competition developing in the near future between First Corning and Bank appears remote. First Corning operates in the State's Eighth Banking District while Bank is located in the Seventh District. State law prohibits each bank from branching outside its respective District until 1976. Further, it appears unlikely that Applicant's banking subsidiary in Ithaca would branch into Bank's service area, considering the fact that the market's population increased only 1 per cent during the decade ending in 1970 and that its per capita personal income is considerably below the State average. On the basis of the facts of record, the Board concludes that consummation of the proposed acquisition would have no significant adverse effects on existing competition, nor would it foreclose the development of future competition.

The financial and managerial resources of Applicant, its subsidiary banks, and Bank are generally satisfactory, and their prospects appear favorable. Banking factors are consistent with approval of the application. Applicant proposes to enable Bank to improve and expand the present range of services it offers; to make available to Bank's customers credit card services, larger loans, cash-reserves checking, automated accounting services, payroll service plans, salary deposit plans, international financing, equipment leasing, and numerous trust services. Considerations relating to the convenience and needs of the communities to be served lend weight toward approval of the application and outweigh any anticompetitive effects of the proposal. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record,[1a] the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors,[2] effective April 1, 1974.[3]

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8034 Filed 4-8-74;8:45 am]

MERCANTILE BANCORPORATION INC.

Order Approving Acquisition of Franklin Finance Company

Mercantile Bancorporation Inc., St. Louis, Missouri, a bank holding

[1] All banking data are as of June 30, 1973.

[2] Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Sheehan, Bucher, Holland, and Wallich. Absent and not voting: Chairman Burns.

[1] The relevant market is comprised of Schuyler and Chemung Counties and the southern quarter of Steuben County.

[1a] Dissenting Statement of Governor Brimmer filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of New York.

[2] Voting for this action: Vice Chairman Mitchell, and Governors Sheehan, Bucher, and Holland. Voting against this action: Governor Brimmer. Absent and not voting: Chairman Burns and Governor Daane.

[3] Board action was taken while Governor Daane was a Board Member.

within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire all of the voting shares of Franklin Finance Company ("Franklin"), Clayton, Missouri, a company that engages in the loan and finance business. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (38 FR 34835). The time for filing comments and views has expired, and none has been timely received.

Applicant, the largest bank holding company in Missouri, controls 13 banks with aggregate deposits of $1.2 billion, representing approximately nine percent of the total deposits in commercial banks in the State.[1] Applicant also has 19 nonbanking subsidiaries which are principally engaged in business investments, financing imports and exports by credit card, international banking, mortgage banking, insurance brokerage, safe deposit operations, and customs brokerage activities.

Franklin (total outstandings of $17.7 million) is a small, family-owned consumer finance company that engages in making, acquiring or servicing loans or other extensions of credit for personal, family or household use.[2] Franklin operates 37 offices in 12 states.[3] None of 12 states.[3] None of Applicant's nonbank-Applicant's nonbanking subsidiaries are engaged in the making of personal loans, the relevant product line for analyzing the competitive effects of the proposed transaction.

It appears that any anti-competitive effects that may result from consummation of the proposed acquisition are confined to the St. Louis banking market[4] where five of Applicant's banking subsidiaries and four of Franklin's offices are located. Within this market, Applicant and Franklin compete with 109 commercial banks, more than 60 credit unions, and 195 offices of 69 finance companies, 27 of which are ranked among the 100 largest independent finance companies in the country. As of December 31, 1972, Applicant's banking subsidiaries and Franklin accounted for an estimated 1.9 percent and 1.3 percent, respectively, of the total outstanding personal loans in the St. Louis banking market. However, three of Franklin's four offices in this market are located across the Mississippi River in Illinois, where Applicant's banking subsidiaries are prohibited from entering. In view of the small size of Franklin, the location of its offices, and the number of other competitors in the St. Louis market, the Board concludes that consummation of the proposal would have only slightly adverse effects on competition.

There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects upon the public interest.

Approval of the proposed acquisition would give Franklin access to the financial resources of Applicant and allow it to compete more effectively with larger financial institutions in each of the markets it serves. For example, the greater availability of capital will allow Franklin to offer higher average size loans, thereby reducing its rates to the public.[5] Applicant also proposes to broaden the range of services Franklin offers by adding sales finance and leasing services. Franklin's internal expansion has been limited to the opening of 2 *de novo* offices in the past 3 years and, following its affiliation, Applicant plans to establish new offices for Franklin at an increased rate. It is the Board's judgment that consummation of the proposed transaction would bring positive benefits to the public and that such benefits outweigh the slightly adverse competitive effects of the proposal.

In its consideration of this application, the Board has reviewed a post-employment covenant entered into by Applicant and six stockholder-employees of Franklin. All six would be prohibited from competing with Franklin within a 15 mile radius of the communities where Franklin now operates for a maximum period of two years. In addition, a special employment contract would restrict the largest stockholder of Franklin from competing with Franklin for a period of five years after termination of his employment. It is the Board's judgment that the provisions contained in these covenants are reasonable as to duration, scope and geographic area and are therefore consistent with the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis.

By order of the Board of Governors,[6] effective March 29, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8035 Filed 4-8-74;8:45 am]

[1] Unless otherwise noted, all banking data are as of June 30, 1973, and reflect holding company formations and acquisitions approved by the Board through December 4, 1973.

[2] Franklin also has one subsidiary engaged in life insurance activities in connection with its lending operation which will be liquidated if this application is approved.

[3] Franklin's offices are located in West Virginia, Louisiana, Florida, Washington, Oregon, South Carolina, Alabama, Georgia, Kentucky, Oklahoma, Illinois, and Missouri.

[4] The St. Louis banking market is approximated by St. Louis County, portions of St. Charles and Jefferson Counties in Missouri, and portions of Madison and St. Clair Counties in Illinois.

[5] By state statutes, the maximum rate charged per loan depends on the size of the loan, with smaller loans yielding a substantially higher rate of interest.

[6] Voting for this action: Chairman Burns and Governors Mitchell, Sheehan, Bucher, and Holland. Absent and not voting: Governors Brimmer and Wallich.

BANK OF VIRGINIA CO.

Order Approving Retention of Cavanagh Leasing Corporation

Bank of Virginia Company, Richmond, Virginia, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to retain indirect ownership of all the voting shares of Cavanagh Leasing Corporation, Richmond, Virginia ("Cavanagh"), through merger of Cavanagh into a wholly-owned subsidiary of Applicant, BVA Credit Corporation, Richmond, Virginia ("BVA"). Cavanagh engages in the activities of full-payout leasing of personal property and term financing using conditional sales contracts and security agreements. Upon consummation of said merger, Applicant proposes to expand *de novo* the activities of BVA to include commercial financing, both secured and unsecured, and automobile leasing on a full-payout basis. The proposed activities of BVA and the activities of Cavanagh have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1) and (6)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 FR 3864). The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, the fourth largest banking organization in Virginia, in terms of deposits, controls 16 banks with aggregate deposits of $1 billion, representing approximately 9 percent of the total deposits in commercial banks in the State.[1]

[1] All banking data are as of June 30, 1973, and reflect holding company acquisitions and formations approved through February 28, 1974.

Applicant also controls a number of other subsidiaries, including an Edge corporation, two bank-related subsidiaries in Canada, several bank-servicing affiliates, as well as subsidiaries engaged in mortgage banking, factoring, consumer financing, and the subject personal property leasing company.

Cavanagh was organized and acquired by Applicant in July of 1970, pursuant to section 4(c)(5) of the Act, as a *de novo* corporation for the purpose of acquiring the assets and certain of the liabilities of an equipment leasing division of a Delaware corporation.[2] Cavanagh's primary activity is the full-payout leasing of personal property, material handling equipment, data processing and office furniture and fixtures, to a lesser extent it is also involved in term financing using conditional sales contracts and security agreements. Upon transfer of the business of Cavanagh to BVA, Applicant plans to expand the activities of BVA to include secured and unsecured commercial financing without restrictions as to the nature of the security taken and full-payout leasing of automobiles. Cavanagh, which is headquartered in Richmond, operates a total of 24 offices in 17 states. Except for its main office, Cavanagh's offices operate as loan origination and servicing offices. At the time of its acquisition by Applicant, Cavanagh operated four offices in cities outside the area generally served by Applicant and had gross receivables, including residuals, of about $16 million. As of September 30, 1973, Cavanagh had total receivables and residuals in the amount of $66 million. Applicant does not now have, nor did it at the time of acquisition of Cavanagh, any subsidiary engaged in leasing activities. On this basis, and other facts of record, the Board concludes that no meaningful existing competition was eliminated, nor potential competition foreclosed, through Applicant's acquisition of Cavanagh. Nor is there any evidence in the record to indicate that the retention of the activities of Cavanagh by Applicant would result in any undue concentration of resources, unfair competition, conflicts of interests, or unsound banking practices.

On other the hand, it appears that Cavanagh's affiliation with Applicant has resulted in some benefits to the public in the form of an increased volume of the leasing services offered. Moreover, the expansion of the lending and leasing activities contemplated by Applicant should result in additional benefits to the public by assuring the continuation of an effective competitor and an additional source of financing services in the markets now served by Cavanagh.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof. The merger of Cavanagh into BVA shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond.

By order of the Board of Governors,[3] effective March 29, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8036 Filed 4-8-74;8:45 am]

[2] Section 4(c)(5) of the Act generally permits a bank holding company to acquire, without Board approval, "shares which are of the kinds and amounts eligible for investment by national banking associations under the provisions of section 5136 of the Revised Statutes."

[3] Voting for this action: Chairman Burns and Govenors Mitchell, Brimmer, Bucher, and Holland. Absent and not voting: Governors Sheehan and Wallich.

ORBANCO, INC.

Order Approving Acquisition of Bank

Orbanco, Inc., Portland, Oregon, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 51 per cent or more of the voting shares of Security Bank of Oregon, Portland, Oregon ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls one bank with total deposits of $216.6 million, representing 4.2 per cent of the total deposits in commercial banks in Oregon and is the third largest banking organization headquartered in the State.[1] The direct acquisition of Bank (deposits of $51.5 million) would increase Applicant's share of State deposits by 1 percentage point and its rank would remain unchanged.

Bank is the sixth largest of 16 banks operating in the Portland metropolitan area,[2] the relevant banking market,[3] holding 2 per cent of total deposits therein. The largest bank in the market, First National Bank of Oregon, holds 39.8 per cent of total deposits in the market. The second largest, United States National Bank of Oregon, holds 36.3 per cent of such deposits. It appears that the two largest banks in Portland are dominant in this market.

Applicant's subsidiary bank, The Oregon Bank, is the fourth largest bank[4] in the Portland banking market and controls 4.7 percent of the total deposits in commercial banks therein. Although some of the branch offices of Bank and The Oregon Bank have overlapping service areas,[5] the prospects of vigorous competition developing between the two banks appears remote in view of Bank's weak competitive position. Acquisition of Bank by Applicant, which itself is not dominant in the market, would permit an infusion of additional capital and new management into Bank and restore its competitive vigor. The Board concludes that consummation of the proposed transaction is not likely to lessen competition in the Portland market as, in the absence of such consummation, Bank does not appear able to remain a viable competitive alternative to the area's other banks. Although a slight increase in concentration among the four largest firms in the market would result from consummation of the proposed transaction, consummation would not, in the Board's view, cause a substantial lessening of competition in that market, but would, to the contrary, offer the prospect of more vigorous competition among area banks.

The financial condition of Applicant and The Oregon Bank are generally satisfactory; future prospects for both are favorable. The financial condition, managerial resources, and future prospects of Bank are less than satisfactory. Applicant proposes to assist Bank by providing substantial equity capital and managerial assistance, as well as to assist Bank in the provision of consumer lending, commercial lending, trust services, and credit card services. While there is no evidence in the record that the banking needs of the area are not being adequately served, the improved or expanded services proposed by Applicant would provide customers with an alternative source of such services and, further, would enable Bank to compete more effectively with the two dominant banks in the market. The financial and managerial assistance that Applicant proposes for Bank would also enhance Bank's competitive ability and ensure

[1] Banking data pertaining to Applicant are as of June 30, 1973.

[2] Market share data are as of December 31, 1972.

[3] The Portland banking market is approximated by Clackamas, Multnomah, and Washington Counties.

[4] The Oregon Bank, though the fourth largest bank operating in the relevant market, is the third largest bank headquartered in the State. The third largest bank operating in the market is Bank of California, N.A., and is not headquartered in the State.

[5] Three of Bank's offices face no direct competition from The Oregon Bank's branches. The three offices of Bank located in Portland's central business area, where direct competition does exist, are in an area with the highest number of offices of other banks. Accordingly, the importance of any direct competition between Bank and The Oregon Bank is reduced by the presence of these other competitors.

Bank's continued service to its customers. Accordingly, considerations relating to the convenience and needs of the communities to be served weigh strongly in favor of approval and clearly outweigh any anticompetitive effects of the proposed transaction. It is the Board's judgment that consummation of the proposed acquisition is in the public interest and that the application should be approved.

The record in this case indicates that most of the shares which Applicant seeks to acquire were, in fact, acquired by an individual who is a director of one of Applicant's nonbanking subsidiaries and the son of the Chairman of the Board of Applicant. Former management of Bank has objected to this application on grounds, among others, that Applicant, acting through this individual has already indirectly acquired control of the shares for the acquisition of which the Board's prior approval is now sought. The Board has considered arguments, depositions, and exhibits filed by all parties and has concluded that Applicant has not indirectly acquired shares of Bank through this individual. Under an agreement between this individual and Applicant, the individual bears the entire market risk associated with ownership of the shares. The only limitation on his rights of ownership is that he not pledge or otherwise encumber or hypothecate the shares for a period of one year from the date the agreement became operative. Applicant has no ability to direct or influence his disposition of the shares of Bank in the event the instant application were denied. The individual has undertaken significant management changes in Bank including the employment of a new chief executive, unassociated with Applicant. There is no substantial evidence in the record suggesting that Applicant is particiapting in or influencing the management or policies of Bank. It therefore does not appear that the purposes of section 3 have been frustrated. Based on these facts, it does not appear that Applicant has acquired indirect ownership or control of the shares held by this individual or has exercised controlling influence over the management or policies of Bank. Nonetheless, the Board remains "seriously concerned with proposals that indicate a holding company, acting through its officers and directors, may have gained control of the shares of a bank (or nonbank concern) without specific Board approval, as required by the Act."[6]

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco pursuant to delegated authority.

By order of the Board of Governors,[7] effective April 1, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8037 Filed 4-8-74;8:45 am]

TENNESSEE VALLEY BANCORP, INC.

Order Approving Acquisition of Bank

Tennessee Valley Bancorp, Inc., Nashville, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 90 per cent or more of the voting shares of the successor by merger to Old & Third National Bank of Union City, Union City, Tennessee ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fifth largest banking organization and fourth largest bank holding company in Tennessee, controls five banks with deposits of approximately $795 million, representing 7.5 per cent of total commercial bank deposits in the State.[1] Approval of this application would increase Applicant's control of Statewide deposits by only .3 percentage points and would not have an adverse effect on the concentration of banking resources in Tennessee.

Bank ($34.9 million in deposits) is the largest of 13 banks in the relevant banking market,[2] and controls approximately 23 per cent of the market's total commercial bank deposits. Applicant's closest banking office is 63 miles southeast of Bank. Consummation of the proposed acquisition would not, therefore, result in the elimination of any significant existing competition. Because of the distances separating Applicant's banking subsidiaries from Bank, the numerous intervening banks, and Tennessee's restrictive branching law, there is little likelihood of the development of future competition. Moreover, *de novo* entry is prohibited in this market prior to January 1, 1980, by virtue of the recent amendments to the Tennessee Banking Code.[3]

While Bank is the largest bank in the relevant market, it does not appear to dominate this market. The State's second largest bank holding company (First Amtenn Corporation) controls the market's second largest bank ($22 million in deposits). In the Board's view, the presence of a Statewide competitor and the absence of a high degree of deposit concentration make it unlikely that Applicant will become dominant in this market. The Board further notes that, upon consummation of this proposal, 11 independent banks remain as entry vehicles for holding companies outside the market. At the present time, six of Bank's directors also serve on the board of eight directors of First Federal Savings and Loan Association of Union City, the only savings and loan association domiciled in Obion County. These director interlocks will be terminated upon consummation of the proposed transaction; thus, to this extent, approval of the application is likely to be procompetitive. It is the Board's judgment that consummation of the proposed acquisition would have no significant adverse effects on existing competition, nor would it foreclose the development of significant future competition.

The financial and managerial resources and future prospects of Applicant, its banking subsidiaries, and Bank are regarded as satisfactory. There is no evidence in the record that the banking needs of the area are not being met. However, it is anticipated that affiliation with Applicant will enable Bank to increase the range of services currently provided by establishing such new services as equipment leasing, corporate trust services, factoring, and mortgage banking. Through Applicant's resources, Bank will also increase its effective lending capacity and it's expertise in such services as mobile home loan servicing, management training, data processing, and bond portfolio management. Accordingly, convenience and needs considerations lend weight for approval. It is the Board's judgment that consummation of the proposed transaction is in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order, or (b) later than three months after the effective date of this Order, unless such period is extended for

---

[6] Board Order of January 31, 1974, denying the application of Mid America Bancorporation, Inc., Mendota Heights, Minnesota, to acquire shares of The First National Bank of Lakeville, Lakeville, Minnesota.

[7] Voting for this action: Chairman Burns and Governors Mitchell, Sheehan, Bucher, and Holland. Absent and not voting: Governors Brimmer and Wallich.

[1] All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved through February 28, 1974.

[2] The relevant banking market is approximated by Obion County, the western tip of Weakley County, and the southern portion of Fulton County, Kentucky.

[3] Effective March 4, 1974, the Tennessee Banking Code was amended by the enactment of The Bank Structure Act of 1974, which is designed to regulate the growth of bank holding companies in Tennessee.

good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors,[4] effective April 1, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8038 Filed 4-8-74;8:45 am]

CENTRAL TRUST COMPANY ROCHESTER N.Y.

Order Approving Application for Merger of Banks

Central Trust Company Rochester N.Y., Rochester, New York ("Central Trust"), a member State bank of the Federal Reserve System, has applied for the Board's approval pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) of the merger of that bank with The First National Bank of Marion, Marion, New York ("Marion Bank"), under the charter and title of Central Trust. As an incident to the merger, the present office of Marion Bank would become a branch of the resulting bank.

As required by the Act, notice of the proposed merger, in form approved by the Board, has been published, and the Board has requested reports on competitive factors from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board has considered the application and all comments and reports received in the light of the factors set forth in the Act.

Central Trust ($316 million in deposits),[1] a subsidiary of Charter New York Corporation, New York City, New York, has 16 offices in the Rochester banking market,[2] and is the fourth largest of the 16 commercial banks[3] within the market, controlling 14.3 percent of the area's total commercial bank deposits. Marion Bank ($9 million in deposits), a unit bank, is also located in the Rochester banking market and controls 0.4 percent of the total deposits therein as the market's 13th largest bank.

Approval of the proposed transaction would result in the merged institution controlling 14.7 percent of market deposits. By comparison, the two largest banking organizations in the market hold 36.2 and 26.3 percent, respectively, of total market deposits. The closest offices of Central Trust and Marion Bank are 16 miles apart. Since the service areas of each institution are in separate counties which are neither overlapping nor contiguous, there exists only minimal competition between the two banks. Marion Bank derives 1.5 percent of its deposits and 1.7 percent of its loans from service areas of Charter New York Corporation subsidiaries, while Central Trust, the only subsidiary of Charter New York Corporation to derive deposits or loans from the service area of Marion Bank, obtains less than 1 percent of its deposits and loans therefrom. It is the Board's judgment that consummation of the proposed merger would not adversely affect existing competition in the relevant market.

With respect to future competition, Marion Bank, on the basis of its history as a unit bank with limited resources, is unlikely to expand to other areas within the market. Although Central Trust has both the financial and managerial resources to expand into Marion Bank's service area, such expansion appears unlikely due to the unattractive prospects of that portion of the market. Furthermore, barriers to entry would not be significantly increased because of this proposal for most of the State's major banking organizations are already in the market. In addition, a number of small banks remain as possible entry vehicles for banking organizations not presently represented in the market. Accordingly, the Board concludes that consummation of the proposed merger would not have a significantly adverse effect on future competition in the relevant area.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are regarded as generally satisfactory. Thus, considerations relating to the banking factors are consistent with approval.

Consummation of the proposed merger would enable customers of Marion Bank to benefit from personal and corporate trust services, free checking accounts and travelers' checks, none of which are provided currently by Marion Bank. Considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application. It is the Board's judgment that consummation of the proposed merger would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors,[4] effective April 2, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8039 Filed 4-8-74;8:45 am]

[4] Voting for this action: Chairman Burns and Governors Mitchell, Brimmer, Bucher, and Holland. Absent and not voting: Governors Sheehan and Wallich.

[1] All deposit data are as of June 30, 1973.

[2] The relevant banking market is comprised of Wayne and Monroe Counties and the seven northernmost towns of Livingston County.

[3] All market data are as of June 30, 1972.

[4] Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Sheehan, Bucher, Holland, and Wallich. Absent and not voting: Chairman Burns.

GENERAL SERVICES ADMINISTRATION

[FPMR Temporary Reg. E-30]

PETROLEUM AND PETROLEUM PRODUCTS

Acquisition by Executive Agencies

1. *Purpose.* This regulation prescribes revised policy and procedures regarding executive agency acquisition of petroleum and petroleum products which are under the restrictions imposed by the Federal Energy Office Petroleum Allocations and Price Regulations (39 FR 1924, January 15, 1974).

2. *Effective date.* This regulation is effective on April 9, 1974.

3. *Expiration date.* This regulation expires February 28, 1975, unless sooner revised or superseded.

4. *Applicability.* The provisions of this regulation apply to all executive agencies and to those other agencies that have been voluntarily participating in the program established in FPMR 101-26.602.

5. *General policy.* Executive agencies which are subject to the provisions of FPMR 101-26.602 shall conform to policies and procedures prescribed by the Defense Fuel Supply Center (DFSC), Defense Supply Agency, regarding procurement through DFSC sources of petroleum and petroleum products which are covered by FEO mandatory allocation programs. Such directives are usually provided by supply supplements to DFSC contract bulletins and special messages (TWX), where appropriate. The policy guidance in this regulation is appropriate to preclude the restatement by GSA of DFSC directives implementing FEO mandates when the urgency of agency response to DFSC requires immediate compliance.

6. *Effect on other issuances.* This regulation cancels FPMR Temporary Regulation E-27, Mandatory middle distillate fuels allocation program, dated December 20, 1973, and published at 39 FR 1676, Jan. 11, 1974.

ARTHUR F. SAMPSON,
Administrator of General Services.

APRIL 2, 1974.

[FR Doc.74-8107 Filed 4-8-74;8:45 am]

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice 74-21]

NONDESTRUCTIVE SPOT-TEST FOR TITANIUM AND TITANIUM ALLOYS

Notice of Intent To Grant Exclusive Patent License

Notice is hereby given of intent to grant to The University of New Mexico, Albuquerque, New Mexico, a limited, exclusive, revocable license to practice the inventions described in U.S. Patent No. 3,701,631 for "Nondestructive Spot-test for Titanium and Titanium Alloys", issued on October 31, 1972 and U.S. Patent No. 3,744,972 for "Non-destructive Spot-test for Magnesium and Magnesium Al-

loys", issued on July 10, 1973 to the Administrator of the National Aeronautics and Space Administration on behalf of the United States of America. The proposed exclusive license will be for a limited period of years for the sale of prepackaged kits for use in the practice of the methods covered by the above identified patents and will contain other appropriate terms and conditions to be negotiated in accordance with the NASA Patent Licensing Regulations, 14 CFR 1245.2, as revised April 1, 1972. Nonexclusive licenses will continue to be available from NASA for the practice of the above identified patented methods by bulk users. NASA will grant the exclusive license unless, within 30 days of this Notice, the Chairman, Inventions and Contributions Board, NASA Washington, DC 20546, receives in writing any of the following together with supporting documentation: (i) a statement from any person setting forth reasons why it would not be in the best interest of the United States to grant the proposed exclusive license; or (ii) an application for a nonexclusive license under such invention, in accordance with § 1245.206(b), in which applicant states that he has already brought or is likely to bring the invention to practical application within a reasonable period. The Board will review all written responses to the Notice and then recommend to the Administrator whether to grant the exclusive license.

Dated: March 27, 1974.

R. TENNEY JOHNSON,
General Counsel.

[FR Doc.74-8067 Filed 4-8-74;8:45 am]

OFFICE OF MANAGEMENT AND BUDGET

REQUEST FOR CLEARANCE OF REPORTS

The following is a list of requests for clearance of reports intended for use in collecting information from the public received by the Office of Management and Budget on April 4, 1974 (44 USC 3509). The purpose of publishing this list in the FEDERAL REGISTER is to inform the public.

The list includes the title of each request received; the name of the agency sponsoring the proposed collection of information; the agency form number, if applicable; the frequency with which the information is proposed to be collected; the name of the reviewer or reviewing division within OMB, and an indication of who will be the respondents to the proposed collection.

The symbol (x) identifies proposals which appear to raise no significant issues, and are to be approved after brief notice through this release.

Further information about the items on this Daily List may be obtained from the Clearance Office, Office of Management and Budget Washington, D.C. 20503 (202-395-4529).

NEW FORMS

DEPARTMENT OF AGRICULTURE

Farmers Home Administration: Loan Subsidy Claim—Agricultural Lenders, Form FHA 449-24, Semiannual, Lowry, Lenders in towns less than 50,000.

Food and Nutrition Service: Study to Assess the Nutritional Quality and Microbiological Safety of Various School Food Delivery Systems, Form, Single time, HRD/Lowry, School children ages 10 to 12.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Alcohol, Drug Abuse, and Mental Health Administration: Drug Abuse Prevention Unit Survey, Form ADAMNIDA 0312, Annual, Reese/SAODAP, Drug abuse prevention resource units.

Social Security Administration: Quality Assurance Case Review Analysis Form, Form SSA 8508, Occasional, HRD/Sunderhauf, Aged, blind & disabled individuals who have filed applications for SSI payments.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Policy Development and Research: Section 23 Relative Effectiveness Evaluation-Housing Inspection, Form, Single time, CVA/Sunderhauf, Tenants in low income public housing projects.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Policy Development and Research: Section 23 Relative Effectiveness Evaluation-LHA Interviews, Form, Single time, CVA/Sunderhauf, Directors of LHA's in ten housing markets.

U.S. CIVIL SERVICE COMMISSION

Survey of Compensation Practices, Form, Single time, EDLR/Raynsford, Private employers.

REVISIONS

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service: Regulations—Special Milk Program, Form, Occ., Lowry, State agencies, school authorities, Childcare institutions.

EXTENSIONS

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service: Regulations—Sugar or Liquid Sugar Imported into the Continental U.S., Form, Occasional, Evinger, Sugar importers.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service: Certification of Indian Preference (Indian Health Program), Form PHS 2411, Occasional, Evinger, Indian applicants for Federal position.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Management: Management Plan Requirements; Questionnaire for Sponsor, Questionnaire for Managing Agent, Form HUD 9405, HUD 9405A, HUD 9405B, Occasional, Evinger, Sponsors, owners, managing agents.

PHILLIP D. LARSEN,
Budget and Management Officer.

[FR Doc.74-8209 Filed 4-8-74;8:45 am]

POSTAL SERVICE

POSTAL CONTRACTING MANUAL

Publication of Changes

Notice is hereby given that the Postal Contracting Manual, Publication 41 (see 39 CFR Part 601), has been amended by the issuance of Transmittal Letter 15, dated February 5, 1974.

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 Letter 15 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.

[FR Doc.74-8059 Filed 4-8-74;8:45 am]

SECURITIES AND EXCHANGE COMMISSION

[70-5482]

COLUMBIA GAS SYSTEM, INC. ET AL.

Proposed Intrasystem Financing

APRIL 2, 1974.

In the matter of the Columbia Gas System, Inc., 20 Montchanin Road, Wilmington, Delaware 19807.

Columbia Gas of West Virginia, Inc., Columbia Gas of Kentucky, Inc., Columbia Gas of Virginia, Inc., Columbia Gas of Ohio, Inc., The Ohio Valley Gas Company, Columbia Gas of Pennsylvania, Inc., Columbia Gas of New York, Inc., Columbia Gas of Maryland, Inc., Columbia Hydrocarbon Corporation, Columbia Gas Transmission Corporation, Columbia LNG Corporation, Columbia Gas Development Corporation, Columbia Gas Development of Canada Ltd.

Notice is hereby given that The Columbia Gas System, Inc. ("Columbia"), a registered holding company, and its above-named wholly-owned subsidiary companies (hereinafter referred to as "Columbia of W. Va.", "Columbia of Ky.", "Columbia of Va.", "Columbia of Ohio", "Ohio Valley", "Columbia of Pa.", "Columbia of N.Y.", "Columbia of Md.", "Hydrocarbon", "Columbia Transmission", "Columbia LNG", "Development U.S.", and "Development Canada") have filed an application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(b), 9(a), 10, 12(b), and 12(f) of the Act and Rules 43 and 45

promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

The subsidiary companies propose to issue and sell, and Columbia proposes to acquire, prior to April 1, 1975, (a) unsecured installment notes not in excess of the respective amounts set forth below and (b) common stock, at the par value, in the respective amounts set forth below. Columbia also proposes to advance on open account to certain of the subsidiary companies from time to time during 1974, up to the respective amounts set forth below:

	Advances	Common Stock	Installment Notes
Columbia of West Virginia	$5,000,000	$9,000,000	
Columbia of Kentucky	3,500,000		
Columbia of Virginia	600,000		
Columbia LNG		14,400,000	$32,800,000
Hydrocarbon			1,500,000
Columbia Transmission	64,000,000		50,000,000
Columbia of Ohio	29,000,000		10,000,000
Ohio Valley	1,800,000		1,000,000
Columbia of Pennsylvania	7,000,000		5,700,000
Columbia of New York	500,000		
Columbia of Maryland	600,000		
Development United States		97,000,000	
Development Canada		6,500,000	
Total	112,000,000	126,900,000	101,000,000

The $9,000,000 equity contribution to Columbia of W. Va. includes 80,000 shares of common stock, $25 par value, in the aggregate of $2,000,000 to finance net cash required for construction, and a cash capital contribution in the aggregate amount of $7,000,000 to offset Columbia, W. Va.'s anticipated net cash loss from operations. Regarding Columbia of W. Va., Columbia also proposes, in addition to the advance and the common stock investment shown in the preceding table, and the cash capital contribution of $7,000,000, (1) to forgive interest coming due and payable through March 31, 1975, in an amount of up to $1,850,000, on all of that subsidiary's indebtedness to Columbia and (2) to defer payment of installment debt maturities due from that subsidiary until the year following the last installment nominally due under each issue of said installment debt. The filing indicates that the present proposals for financing Columbia of W. Va. through March 31, 1975, reflect the fact that Columbia of W. Va. incurred a sizable net loss in the years 1971, 1972, and 1973, that a further loss is estimated for 1974, and that until extraordinary cost increases can be recouped through rate increases or otherwise, it is anticipated that Columbia of W. Va. will continue to have sizable operating deficits. The subsidiary companies will use the proceeds from the issue and sale of their notes and common stock along with internally generated funds to finance their respective construction programs and other corporate needs. Construction programs, in the aggregate, are estimated for 1974 to require net capital expenditures of $297,464,000. The proceeds of the open account advances will be used by the subsidiary companies to finance the purchase of underground storage gas inventories and miscellaneous other inventories and for short-term seasonal purposes.

The installment notes will be acquired no later than March 31, 1975, will be dated when issued, will, except in the case of Columbia LNG, be payable in twenty-five (25) equal annual installments on March 31 of each of the years 1976–2000, inclusive, and may be prepaid at any time, in whole or in part, without premium. The installment notes issued by Columbia LNG for financing the Cove Point, Maryland, storage and regasification facility, in the amount of $14,400,000, will be due in twenty (20) equal annual installments on October first of each of the years 1977 to 1996, inclusive. Interest on all of the notes will accrue from the date of issue and is to be paid semiannually on the unpaid principal balance. The interest rate will be the actual cost of money to Columbia with respect to its last sale of debentures and/or preferred stock prior to the issuance of said notes, decreased by an amount necessary in order that the interest rate be a multiple of 1/10th of 1 percent. The installment notes to be issued initially will, therefore, bear an interest rate of 7.6 percent, and installment notes to be issued subsequent to Columbia's future financings will carry an interest rate related to the last such sale of securities prior to the issuance of said notes.

The proposed open account advances will be made by Columbia from time to time during 1974 and will be paid by the subsidiary companies in three equal installments on February 28, March 31, and April 30, 1975. The open account advances will initially bear interest at the prime commercial bank rate in effect from time to time at Morgan Guaranty Trust Company of New York. The interest charges will be adjusted, after the storage financing period, to the effective interest cost Columbia achieves on its short-term borrowing for this purpose.

The expenses to be paid by Columbia and by the subsidiary companies in connection with the proposed transactions are estimated at $5,500. It is requested that authority be granted to file certificates under Rule 24 with respect to the proposed transactions on a quarterly basis.

The application-declaration states that the following State commissions have jurisdiction over certain of the proposed transactions: The Pennsylvania Public Utility Commission, the Public Service Commission of West Virginia, and the Public Utilities Commission of Ohio. It is also stated that the orders of said commissions will be filed with this Commission by amendment. No other State commission and no Federal comission, other than this Commission, is stated to have jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than April 25, 1974, 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 the filing 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 applicants-declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application-declaration, as filed or as it may be amended, may be granted and permitted to become effective as provided in Rule 23 of the General Rules and Regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8126 Filed 4-8-74;8:45 am]

[70-5463]

GEORGIA POWER CO.

Hearing on Proposed Issue and Sale of Notes

MARCH 28, 1974.

Georgia Power Company ("Georgia"), Atlanta, Georgia, an electric utility company, has filed with the Commission an application and amendments thereto designating as applicable section 6(b) of the Public Utility Holding Company Act of 1935 ("Act") and Rule 50(a)(5)(B) promulgated thereunder. Georgia is a subsidiary company of The Southern Company ("Southern"), a registered holding company, which owns all the outstanding common stock of Georgia.

A notice of filing of the pending application was issued on March 1, 1974, in the manner prescribed in Rule 23 promulgated under the Act (HCAR No. 18298). This notice gave interested persons an opportunity to request on or before March 26, 1974 that a hearing be held. A timely request for a hearing was filed by Georgia Power Project ("Proj-

ect"), an unincorporated association of certain consumers of Georgia.

I. The application requests authority to issue and sell from time to time to March 31, 1975, short-term securities in the form of notes to banks and to a commercial paper dealer, up to a maximum aggregate principal amount of $250,000,000. Georgia proposes to utilize the proceeds from such borrowings to finance in part its 1974 construction program, estimated at approximately $529,005,000, and to pay at maturity outstanding bank notes and commercial paper notes incurred for such purpose. Georgia expects that during 1974 it will sell bonds and preferred stock and receive additional common equity from Southern. Georgia represents that the interim short-term borrowings will be repaid by the year-end 1974 with the proceeds of such financings and internally generated funds.

The financing herein proposed by Georgia is part of a system-wide interim program. The financing programs for Southern and its other subsidiaries—Alabama Power Company, Gulf Power Company and Mississippi Power Company—are proposed in a separate application-declaration (File No. 70-5471).

Georgia has arranged to sell an aggregate of $48,883,000 of its bank notes to 273 local commercial banks. The bank notes, to be dated as of the date of issue, are to mature not more than nine months after the date of issue, and will bear interest at a rate not in excess of the prime rate in effect at each lending bank. The notes may be prepaid, in whole or in part, without penalty or premium. With respect to its borrowings from local banks, Georgia states that its average daily operating balances with each of such banks will be adequate to meet their requirements for compensating balances.

In addition, it is stated that a portion of an aggregate of a $60 million line of credit arranged by Southern from a group of eight non-local banks will be available to Georgia. Definitive arrangements for such borrowings by Georgia from such banks have not been completed but it is anticipated that they will require compensating balances. Assuming a 9 percent prime rate and compensating balances of 20 percent, Georgia's effective cost of money from that source would be 11.25 percent. It is further anticipated that a commitment fee of 1 percent per annum will be charged on the unused balance, if any, of the credit line.

Georgia also proposes, from time to time through March 31, 1975, to issue and sell commercial paper in the form of short-term promissory notes to Salomon Brothers, a dealer in commercial paper ("dealer"). The commercial paper notes will have varying maturities of not more than 270 days after the date of issue and will be sold in varying denominations of not less than $50,000 and not more than $5,000,000 directly to or through the dealer at a discount which will not be in excess of the discount rate per annum prevailing at the date of issuance for prime commercial paper of comparable quality and of like maturities. No commercial paper notes will be issued having a maturity of more than 90 days at an effective interest cost which exceeds the effective interest cost at which Georgia could borrow from banks. The dealer, as principal, will reoffer the commercial paper at a discount rate of ⅛ of 1 percent per annum less than the prevailing interest rate to the issuer. The commercial paper of Georgia will be reoffered, respectively, to not more than 200 customers of the dealer identified and designated in a non-public list prepared in advance by the dealer. No additions will be made to such list of customers without the approval of the Commission.

II. Project objects to Georgia's application and requests a hearing. It states, inter alia, that the proposed financing is not in the interest of investors or consumers and contravenes the standards of the Act, in that $250 million of short-term debt is in excess of Georgia's needs and will be inappropriately used "to finance long-term assets."

In response, Georgia urges that the present application be granted and Project's request for a hearing be denied. In substance, Georgia contends that the Commission is without jurisdiction on the question of the propriety and need for construction of plant additions and that short-term borrowings are a proper interim means to finance construction pending the receipt of funds from the issuance of long-term securities and capital contributions.

III. The Commission deeming it appropriate that a hearing be held in this proceeding:

It is ordered, accordingly, That a hearing be held in respect to the application, as amended, and that the hearing commence on April 8, 1974, or such later date as may be designated by the hearing officer, at 10 a.m. at the office of the Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 in such room as may be designated by the hearing room clerk.

It is further ordered, That at said hearing, evidence shall be adduced with respect to the following matters:

1. Whether the proposed short-term borrowings satisfy the applicable standards of the Act, particularly sections 6(b) and 7;

2. Whether, for any reason, the contemplated long-term financing, as aforesaid, required to refund such short-term financing, would be inconsistent with the requirements of the Act; and

3. What conditions, if any, should be imposed in an order authorizing the proposed transactions.

It is further ordered, That jurisdiction be, and it hereby is, reserved to separate, in whole or in part, either for hearing or for disposition, any issues or questions which may arise in these proceedings and to take such other action as may appear conducive to an orderly, prompt and economical disposition of the matters involved. The Commission expects that, subject to the discretion of the presiding Administrative Law Judge, the hearings will proceed without adjournment in view of Georgia's cash requirements as set forth in its application.

It is further ordered, That an Administrative Law Judge, hereinafter to be designated, shall preside at said hearing. The officer so designated is hereby authorized to exercise all powers granted to the Commission under section 18(c) of the Act and to a hearing officer under the Commission's rules of practice.

It is further ordered, That the Secretary of the Commission shall give notice of the aforementioned hearing by mailing copies of this Order by certified mail to Georgia Power Company and Georgia Power Project, and that notice to other interested persons shall be given by the general release of the Commission and by publication of this Order in the FEDERAL REGISTER. Persons desiring to participate shall comply with Rule 9 of the Commission's rules of practice.

IV. Pursuant to prior Orders of the Commission (File No. 70-5261), Georgia has authority until March 31, 1974 to effect short-term borrowings up to a maximum aggregate amount of $300,000,000. As of that date, Georgia estimates that it will have $132,208,000 of short-term notes outstanding.

Under section 6(b), Georgia is currently permitted to borrow approximately $130,000,000 on short-term obligations without an order of the Commission. Georgia is presently engaged in a major construction program and its application specifies its further immediate cash needs, and on the basis thereof, the Commission deems it appropriate in the public interest and in the interest of investors and consumers that pending ultimate determination of the issues herein Georgia have the necessary authority to make interim borrowings during the period expiring May 31, 1974, in a maximum amount not exceeding $175,000,000 at any one time outstanding. Accordingly,

It is further ordered, That Georgia be, and hereby is, authorized to issue and sell up to $175,000,000 aggregate principal amount of unsecured notes to banks and dealers in commercial paper, from time to time through May 31, 1974, in accordance with the borrowing conditions proposed in the application; that an exception from competitive bidding with respect to such issue and sale be, and hereby is, granted; and that certificates of notification required under Rule 24 may be filed within 30 days after the end of each calendar quarter. Jurisdiction is hereby reserved to grant such further interim relief as may be appropriate during the pendency of this proceeding.

By the Commission.

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

[FR Doc.74-8124 Filed 4-8-74;8:45 am]

[811-2087]

INVERNESS CAPITAL CORP.

Filing of Application

APRIL 1, 1974.

Notice is hereby given that Inverness Capital Corporation ("Applicant"), 345 Park Avenue, New York, New York, 10022, a Delaware corporation registered as a non-diversified, closed-end, management investment company under the Investment Company Act of 1940 (the "Act") and licensed to operate as a small business investment company under the Small Business Investment Act of 1958, has filed an application pursuant to section 8(f) of the Act for an order of the Commission declaring that Applicant has ceased to be an investment company as defined in the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations contained therein, which are summarized below.

Section 3(c)(1) excepts from the definition of an "investment company," as such term is used in the Act, any issuer whose outstanding securities (other than short-term paper) are beneficially owned by not more than one hundred persons and which is not making and does not presently propose to make a public offering of its securities. For the purposes of section 3(c)(1), beneficial ownership by a company is deemed to be beneficial ownership by one person unless such company owns 10 per centum or more of the outstanding voting securities of the issuer. In the latter case the shareholders of the company which owns such outstanding securities of the issuer are deemed to be the beneficial owners of the issuer's securities.

Rule 3c-2 of the Commission, promulgated pursuant to section 3(c), provides, however, in pertinent part, that for the purpose of section 3(c)(1) of the Act, beneficial ownership by a company owning 10 per centum or more of the outstanding voting securities of any issuer which is a small business investment company licensed to operate under the Small Business Investment Act of 1958 shall be deemed to be beneficial ownership by one person if and so long as the value of all securities of small business investment companies owned by such company does not exceed 5 per centum of the value of its total assets.

Applicant, a Delaware corporation licensed to operate as a small business investment company under the Small Business Investment Act of 1958 and registered as a closed-end, non-diversified, management investment company under the Act, is an issuer engaged in the business of owning and holding securities and owns investment securities having a value in excess of 40 per centum of the value of Applicant's total assets.

Applicant, which is not making and does not presently propose to make a public offering of its securities, has 505 shares of capital stock issued and outstanding. One individual owns 37 shares and Inverness Industries, Inc. ("Industries") owns the remaining 468 shares. All of the issued and outstanding shares of capital stock of Industries are owned by Inverness Management Corporation ("IMC"). There are over 100 holders of IMC's outstanding securities. The indirect interest of IMC in Applicant is its only interest in a small business investment company.

Pursuant to a proposed recapitalization of Applicant, Industries and Llennoco Corporation ("Llennoco"), a corporation whose stock is held by not more than 8 individuals, would each invest $400,000 in Applicant. Industries would receive 400,000 shares of Class A common stock of Applicant and Llennoco would acquire 400,000 shares of a newly created Class B common stock of Applicant. Llennoco would also have the right to sell 300,000 of such 400,000 shares of Class B common stock to two individuals, who, if the right was not exercised within one year from Llennoco's acquisition of the stock, would themselves purchase 300,000 shares of Class B stock from Applicant on payment of $300,000. Llennoco and the two individuals would also have warrants to purchase Class A common stock of Applicant.

Applicant asserts that the value of IMC's total assets, as of September 30, 1973, was $12,963,000 on a consolidated basis and $11,464,700 on a corporate basis and that IMC's interest in Applicant was without any value as of such date because Applicant's debt to the Small Business Administration was greater than its assets. Applicant claims that after Industries proposed investment of $400,000 in Applicant, IMC's resulting indirect interest in Applicant would amount to only approximately 3.1 per centum of IMC's assets, as of September 30, 1973, on a consolidated basis and 3.5 per centum of IMC's assets on an unconsolidated basis. Applicant asserts that pursuant to Rule 3(c)(2) the indirect beneficial ownership by IMC of more than 10 per centum of Applicant's outstanding securities is now, and will be after the reorganization, ownership by one person for the purposes of section 3(c)(1) because the value of all small business investment companies owned by IMC now, and after the reorganization, will not exceed 5 per centum of the value of IMC's total assets. Applicant asserts, therefore, that it is now, and will be after the reorganization, a company which comes within the exception provided by section 3(c)(1) of the Act for a company which has less than 100 shareholders and which is not making or proposing to make a public offering of its securities.

Section 8(f) of the Act provides, in pertinent part, that when the Commission, upon application, finds that a registered investment company has ceased to be an investment company, it shall so declare by order, and upon the effectiveness of the order the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than April 26, 1974, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address stated above. Proof of such service (by affidavit or, in case of an attorney-at-law, by certificate) shall be filed contemporaneously with the request. As provided by Rule 0-5 of the Rules and Regulations promulgated under the Act, an order disposing of the matter will be issued as of course following April 26, 1974, unless the Commission thereafter orders a hearing upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

It is ordered, That the Secretary of the Commission shall send a copy of this notice by certified mail to the Associate Administrator for Investment, Investment Division, Small Business Administration, Washington, D.C. 20416.

For the Commission, by the Division of Investment Management Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8125 Filed 4-8-74;8:45 am]

INTERSTATE COMMERCE COMMISSION

[Notice 482]

ASSIGNMENT OF HEARINGS

APRIL 4, 1974.

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 138558 Sub-1, Roy Zenere Trucking & Excavating, Inc., now assigned May 7, 1974, at Chicago, Ill., will be held in Room 672, 536 S. Clark Street.

MC 99208 Sub 11, Skyline Transportation, Inc., now being assigned hearing June 3, 1974 (1 week), at Knoxville, Tenn., in a hearing room to be later designated.

MC 138857, W. L. Burgess, Dba Burgess Trucking Co., now being assigned hearing June 10, 1974 (1 week), at Paducah, Ky., in a hearing room to be later designated.

MC-F-11890, Howard Sober, Inc.—Purchase (portion)—Insured Transporters, Inc., now assigned April 8, 1974, at Washington, D.C., is cancelled and transferred to Modified Procedure.

MC-FC-74226, Taylor Freight System, Inc., Philadelphia, Pa., Transferee and Dependable Container Service, Inc., Brooklyn, N.Y., Transferor; and MC-FC 74488, Jetex Freight Systems, Inc., Newton, Pa., Transferee and James H. Russell, Smithfield, R.I., Transferor, now assigned April 9, 1974, at Washington, D.C., is postponed to May 14, 1974, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC-F-11951, Jones Truck Lines, Inc.—Control & Merger—M-F Express, Inc., and Poplarville Truck Line, Inc., now being assigned hearing June 3, 1974 (2 days), at New Orleans, La., in a hearing room to be later designated.

MC 119792 Sub 38, Chicago Southern Transportation Co., Inc., now being assigned hearing June 5, 1974 (3 days), at New Orleans, La., in a hearing room to be later designated.

MC 107515 Sub 874, Refrigerated Transport Co., Inc., now being assigned hearing June 10, 1974 (1 week), at Mobile, Ala., in a hearing room to be later designated.

MC 56679 Sub-66, Brown Transport Corp.; MC 136155 Sub-2, Gay Trucking Co., Inc.; MC 136230, Interstate Warehousing Corporation; and MC 136285 Sub-3, Southern Intermodal Logistics, Inc., is continued to May 20, 1974, at Atlanta, Georgia, in a hearing room to be later designated.

MC-138677 (Sub-No. 2), Mr. Enterprizes, Inc., DBA Mason's Biological & Medical Transportation Courier Service, now assigned April 16, 1974, at Washington, D.C., is postponed indefinitely.

MC-107012 Sub 193, North American Van Lines, Inc., now being assigned hearing May 13, 1974 (1 day), at Atlanta, Ga., in a hearing room to be later designated.

MC-109891 Sub 22, Infinger Transportation Company, Inc., Extension-Savannah, Ga., now being assigned hearing May 14, 1974 (2 days), at Atlanta, Ga., in a hearing room to be later designated.

MC-30844 Sub-477, Kroblin Refrigerated Xpress, Inc., now being assigned hearing May 16, 1974 (2 days), at Atlanta, Ga., in a hearing room to be later designated.

MC-C-8228, Harrison-Shields Transportation Lines, Inc.—Investigation and Revocation of Certificates, now being assigned June 17, 1974, at Columbus, Ohio, in a hearing room to be later designated.

MC 118288 Sub-44, Stephen F. Frost, now being assigned June 18, 1974 (1 day), at Columbus, Ohio, in a hearing room to be later designated.

MC-F-12062, Lyons Transportation Lines, Inc.—Control and Merger—Wilson Transportation Service, Inc., now being assigned June 19, 1974 (3 days), at Columbus, Ohio, in a hearing room to be later designated.

MC 119777 Sub-271, Ligon Specialized Hauler, Inc., now being assigned June 24, 1974 (1 day), at Louisville, Ky., in a hearing room to be later designated.

MC 112304 Sub-71, Ace Doran Hauling & Rigging Co., and MC 119777 Sub-258, Ligon Specialized Hauler, Inc., now being assigned June 25, 1974 (3 days), at Louisville, Ky., in a hearing room to be later designated.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8134 Filed 4-8-74:8:45 am]

[Notice 57]

MOTOR CARRIER BOARD TRANSFER PROCEEDINGS

Synopses of orders entered by the Motor Carrier Board of the Commission pursuant to sections 212(b), 206(a), 211, 312(b), and 410(g) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

Each application (except as otherwise specifically noted) filed after March 27, 1972, contains a statement by applicants that there will be no significant effect on the quality of the human environment resulting from approval of the application. As provided in the Commission's Special Rules of Practice any interested person may file a petition seeking reconsideration of the following numbered proceedings on or before April 29, 1974. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-74934. By order of April 3, 1974, the Motor Carrier Board approved the transfer to Hast, Inc., doing business as Royal Messenger Service, Branford, Conn., of Permits Nos. MC-117466 (Sub-No. 1), MC-117466 (Sub-No. 3), MC-117466 (Sub-No. 5), and MC-117466 (Sub-No. 7) issued August 31, 1959, September 13, 1962, September 11, 1961, and December 9, 1964, respectively, to Henry L. Stoddard, doing business as Hast Delivery Service, Branford, Conn., authorizing the transportation of photo-film, photo-prints, materials and supplies therefor and photo-film finishers' handling materials between points in Connecticut, New Jersey, New York, and Massachusetts. Mr. William J. Meuser, Attorney for Transferor and Transferee, 86 Cherry Street, Milford, Conn.

No. MC-FC-74967. By order of April 3, 1974, the Motor Carrier Board approved the transfer to Transtop, Inc., Winthrop, Mass., of License No. MC-130028 issued to George R. Fillion, dba Transtop Company, Winthrop, Mass., authorizing brokerage operations at Winthrop, Mass., in arranging for the transportation of: General commodities, including HH Goods, between points in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, on the one hand, and, on the other, points in the United States. George R. Fillion, President, 198 Cottage Park Road, Winthrop, Mass. 02152.

No. MC-FC-75058. By order of April 3, 1974, the Motor Carrier Board approved the transfer to B & H Freight Line, Inc., Harrisonville, Mo., of the operating rights in Certificates No. MC-61129, MC-61129 (Sub-No. 3), and MC-61129 (Sub-No. 6), issued October 26, 1956, October 22, 1959, and February 24, 1971, respectively to Kenneth L. Swigart, doing business as B & H Freight Line, Harrisonville, Mo., authorizing the transportation of various commodities from, to, and between specified points and areas in Missouri and Kansas. Charles F. Myers, 1004 Baltimore Ave., Kansas City, Mo. 64105, Attorney for applicants.

No. MC-FC-75059. By order entered April 3, 1974, the Motor Carrier Board approved the transfer to Pat's Van Lines, Inc., Kansas City, Mo., of the operating rights set forth in Certificate No. MC-117252, issued November 14, 1958, to Wayne Hill Allen, doing business as Allens Van & Storage Co., Overland Park, Kans., authorizing the transportation of household goods, as defined by the Commission, between Kansas City, Mo., and points within 25 miles thereof, on the one hand, and, on the other, points in Illinois and Kansas. Donald J. Quinn, Suite 900, 1012 Baltimore, Kansas City, MO 64105, attorney for applicants.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8132 Filed 4-8-74;8:45 am]

[Notice 48]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

APRIL 3, 1974.

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 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.

No. MC 50069 (Sub-No. 483 TA), filed March 25, 1974. Applicant: REFINERS TRANSPORT & TERMINAL CORPORATION, 445 Earlwood Avenue, Oregon, Ohio 43616. Applicant's representative: Jack A. Gollan (Same address as above).

Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Coal tar pitch emulsion*, in bulk, in tank vehicles, from Columbus, Ohio, to Chicago, Ill., for 180 days. SUPPORTING SHIPPER: Jetcoat Company, 472 S. Hrehl Avenue, Columbus, Ohio. SEND PROTESTS TO: Keith D. Warner, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 313 Federal Office Building, 234 Summit Street, Toledo, Ohio 43604.

No. MC 50069 (Sub-No. 484 TA), filed March 25, 1974. Applicant: REFINERS TRANSPORT & TERMINAL CORPORATION, 445 Earlwood Avenue, Oregon, Ohio 43616. Applicant's representative: Jack A. Gollan (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *No. 6 fuel oil*, in bulk, in tank vehicles, from Valmeyer and Breese, Ill., to East Chicago, Ind., for 180 days. SUPPORTING SHIPPER: U.S. Carbon Products, Inc., P.O. Box 24, Marion, Ohio 62959. SEND PROTESTS TO: Keith D. Warner, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 313 Federal Office Building, 234 Summit Street, Toledo, Ohio 43604.

No. MC 56679 (Sub-No. 78 TA), filed March 26, 1974. Applicant: BROWN TRANSPORT CORP., 125 Milton Avenue SE., Atlanta, Ga. 30315. Applicant's representative: John P. Carlton, 903 Frank Nelson Building, Birmingham, Ala. 35203. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural chemicals*, other than in bulk, from the plantsite and warehouse facilities of Monsanto Company at or near Muscatine, Iowa, to points in Alabama, Florida, Georgia, North Carolina, South Carolina, and Tennessee, for 180 days. SUPPORTING SHIPPER: Monsanto Company, 800 North Lindbergh Boulevard, St. Louis, Mo., 63166. SEND PROTESTS TO: William L. Scroggs, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 1252 West Peachtree Street NW., Room 309, Atlanta, Ga. 30309.

No. MC 88380 (Sub-No. 14 TA), filed March 25, 1974. Applicant: REB TRANSPORTATION, INC., 2400 Cold Springs Road, Fort Worth, Tex. 76106. Applicant's representative: Dennis Fuchshuber (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bituminized or indurated fiber conduit or pipe*, from the plantsite of McGraw-Edison Company, Fiber Products Division, in Grayson County, Tex., to points in Florida and Georgia, for 180 days. SUPPORTING SHIPPER: McGraw-Edison Co., Fiber Products Division, Rt. 2, Box 142, Sherman, Tex. 75090. SEND PROTESTS TO: H. C. Morrison, Sr., District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 9A27 Federal Building, 819 Taylor Street, Fort Worth, Tex. 76102.

No. MC 107403 (Sub.-No. 885 TA) (CORRECTION), filed February 27, 1974, published in the FR issue of March 22, 1974 and republished as corrected this issue. Applicant: MATLACK, INC., 10 W. Baltimore Avenue, Lansdowne, Pa. 19050. Applicant's representative: John Nelson (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Commodities*, in bulk, in water-carrier supplied containers, (1) from New Orleans, La., to points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas (except (a) vegetable oil between points in Louisiana; and (b) alcohol and alcohol products, to points in Alabama, Arkansas, Florida, Georgia, Mississippi, and Tennessee); and (2) from points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas to New Orleans, La., for 180 days. RESTRICTIONS: (1) The authority sought in Items 1 and 2 above is restricted to traffic originating at or destined to the territory described herein; and (2) *chemicals*, between Baton Rouge, La. and New Orleans, La.

NOTE.—The purpose of this republication is to clarify the requested authority.

SUPPORTING SHIPPER: D. G. Massingale, Pricing Manager, Sea Land Service, Inc., Gulf-Puerto Rico Lines, Inc., 2700 France Road, New Orleans, La. SEND PROTESTS TO: Ross A. Davis, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Federal Building, 600 Arch Street, Room 3238, Philadelphia, Pa. 19106.

No. MC 107515 (Sub-No. 896 TA), filed March 22, 1974. Applicant: REFRIGERATED TRANSPORT CO., INC., P.O. Box 308, 3901 Jonesboro Rd. SE., Forest Park, Ga. 30050. Applicant's representative: Alan E. Serby, P.O. Box 872, Atlanta, Ga. 30301. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural chemicals*, other than in bulk, in vehicles equipped with mechanical refrigeration, from the plantsite and warehouse facilities of Monsanto Company near Muscatine, Iowa, to points in Alabama, Florida, Georgia, North Carolina, Mississippi, South Carolina, and Virginia, for 180 days. SUPPORTING SHIPPER: Monsanto Company, 800 North Lindbergh Blvd., St. Louis, Mo. 63166. SEND PROTESTS TO: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1252 West Peachtree Street NW., Room 309, Atlanta, Ga. 30309.

No. MC 107515 (Sub-No. 897 TA), filed March 26, 1974. Applicant: REFRIGERATED TRANSPORT CO., INC., P.O. Box 308, 3901 Jonesboro Rd. SE., Forest Park, Ga. 30050. Applicant's representative: Alan E. Serby, P.O. Box 872, Atlanta, Ga. 30301. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen and unfrozen foodstuffs*, in vehicles equipped with mechanical refrigeration, except in bulk, from the plantsite and warehouse facilities of Ore-Ida Foods, Inc., at or near Greenville, Hart, Holland, and Lake Odessa, Mich., to points in Connecticut, Delaware, District of Columbia, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin, for 180 days. SUPPORTING SHIPPER: Ore-Ida Foods, Inc., P.O. Box 10, Boise, Idaho 83707. SEND PROTESTS TO: William L. Scroggs, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 1252 West Peachtree Street NW., Room 309, Atlanta, Ga. 30309.

No. MC 108884 (Sub-No. 29 TA), filed March 20, 1974. Applicant: ROGERS TRANSFER, INC., Route 46, P.O. Box 175, Great Meadows, N.J. 07838. Applicant's representative: Bert Collins, Suite 6193, 5 World Trade Center Bldg., New York, N.Y. 10048. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from the plantsites and warehouse facilities utilized by Banquiet Foods Corp., located at or near Wellston, Ohio, to points in Delaware, Maryland, Pennsylvania, New Jersey, New York, and the District of Columbia, for 180 days. SUPPORTING SHIPPER: Banquiet Foods Corporation, 515 Olive Street, St. Louis, Mo. 63101. SEND PROTESTS TO: District Supervisor Joel Morrows, Bureau of Operations, Interstate Commerce Commission, 9 Clinton St., Newark, N.J. 07102.

No. MC 111729 (Sub-No. 424TA) (CORRECTION), filed March 11, 1974, published in the FR issue of March 26, 1974, and republished as corrected this issue. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: John M. Delany (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Pharmaceuticals, specimens, scrums, test kits, glassware, laboratory samples and supplies of all kinds, business papers, and documents related thereto*, restricted against the transportation of packages or articles weighing in the aggregate more than 50 pounds from one consignor to one consignee on any one day, (a) Between Birmingham and Mobile, Ala. on the one hand, and, on the other, Daytona Beach, Ft. Walton, Gainesville, Jacksonville, Lake City, Miami, Orlando, Panama City, Pensacola, Tallahassee, and Tampa, Fla.; Albany, Athens, Atlanta, Augusta, Columbus, Dalton, La Grange, Marietta, Marion, Savannah, Valdosta, and Waycross, Ga.; Alexandria, Algiers, Eunice, Hammond, Houma, Jackson, Lafayette, Lake Charles, Marrero, Metairie, Monroe, New Orleans, Shreveport, Sidell, and Westwego, La.; and Biloxie, Columbus, Corinth, Greenville, Greenwood, Gulfport, Hattiesburg, Jackson, Laurel, Meridian, Natchez, Tupelo, and Vicksburg, Miss.; and (b)

Between points in Iowa on the one hand and, on the other, Omaha, Nebr.; and Shawnee Mission and Wichita, Kans.; (2) *exposed and processed film and prints, complementary replacement film, incidental dealer handling supplies, and advertising material related thereto* (excluding motion picture film used primarily for commercial theatre and television exhibition) *business papers, records, audit and accounting media of all kinds*, between Omaha, Nebr., on the one hand, and, on the other, points in Minnesota and South Dakota; (3) *ophthalmic goods, business papers, records, audit and accounting media of all kinds* (a) Between St. Louis, Mo., and points in Illinois (except points in Cook County, Ill.); and (b) Between Chicago, Ill., on the one hand and, on the other, Cedar Rapids, Clinton, Des Moines, Iowa City and Waterloo, Iowa; and (4) *ophthalmic goods*, (a) Between Detroit, Mich., on the one hand, and, on the other, points in Illinois, Indiana, Kentucky, New York, Ohio, Pennsylvania, and Wisconsin; and (b) Between points in Illinois, Indiana, Kentucky, New York, Ohio, Pennsylvania, and Wisconsin, on traffic having an immediately prior or subsequent movement by air or motor vehicle, for 90 days.

NOTE.—The purpose of this republication is to indicate the correct Docket Number assigned to this proceeding in No. MC-111729 (Sub-No. 424TA).

SUPPORTING SHIPPERS: American Optical Corp., 2700 Clark Street, St Louis, Mo.; American Optical Corp., 1561 Howard Street, Detroit, Mich. 48216; Professional Laboratory Supply, 6933 Madrid Avenue, Birmingham, Ala.; Stat Labs, Wing 207, Physician's Building, 3610 Dodge, Omaha, Nebr.; Lobo Photo Services, Inc., 8921 H Street, Omaha, Nebr.; and Bausch & Lomb, 740 W. Washington, Chicago, Ill. SEND PROTESTS TO: Anthony D. Giaimo, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 26 Federal Plaza, New York, N.Y. 10007.

No. MC 113751 (Sub-No. 16 TA), filed March 21, 1974. Applicant: HAROLD F. DUSHEK, INC., 10th and Columbia Streets, Waupaca, Wis. 54981. Applicant's representative: Edward Solie, Executive Bldg., Suite 100, 4513 Vernon Blvd., Madison, Wis. 53705. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer and fertilizer materials, and agricultural chemicals* not to exceed 15% of volume of shipment in mixed truckloads with fertilizer and fertilizer materials, from Jackson, Wis., to points in Illinois and the Upper Peninusla of Michigan, restricted against the transportation of the above named commodities in bags to points in the Upper Peninsula of Michigan, for 180 days. SUPPORTING SHIPPER: Swift Chemical Company, 111 W. Jackson Blvd., Chicago, Ill. 60604 (E. C. Ross, Transportation Manager). SEND PROTESTS TO: District Supervisor John E. Ryden, Bureau of Operations, Interstate Commerce Commission, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 113908 (Sub-No. 309 TA), filed March 25, 1974. Applicant: ERICKSON TRANSPORT CORPORATION, 2105 East Dale Street, P.O. Box 3180 G.S.S., Springfield, Mo. 65804. Applicant's representative: B. B. Whitehead (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Neutral and distilled spirits and alcohol*, in bulk, from Owensboro, Ky., to Montgomery, Ala., for 180 days. SUPPORTING SHIPPER: Fleischman Distilling Corp., Subsidiary of Standard Brands, Inc., P.O. Box 1248, Owensboro, Ky. 42301. SEND PROTESTS TO: John V. Barry, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 600 Federal Office Building, 911 Walnut Street, Kansas City, Mo. 64106.

No. MC 114273 (Sub-No. 168 TA), filed March 25, 1974. Applicant: CEDAR RAPIDS STEEL TRANSPORTATION, INC., P.O. Box 68, 3930 16th Ave. SW., Cedar Rapids, Iowa 52406. Applicant's representative: Robert E. Konchar, P.O. Box 1943, Cedar Rapids, Iowa 52406. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from Aliquippa and Pittsburgh, Pa., to points in Iowa, for 180 days. SUPPORTING SHIPPER: Jones & Laughlin Steel Service Center, 3 Gateway Center, Pittsburgh, Pa. 15230. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 114273 (Sub-No. 169 TA), filed March 25, 1974. Applicant: CEDAR RAPIDS STEEL TRANSPORTATION, INC., P.O. Box 68, 3930 16th Ave. SW., Cedar Rapids, Iowa 52406. Applicant's representative: Robert E. Konchar, P.O. Box 1943, Cedar Rapids, Iowa 52406. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from Glenshaw, Pa., to points in Iowa, Nebraska, and South Dakota, for 180 days. SUPPORTING SHIPPER: Jones and Laughlin Steel Service Center, 1701 William Flynn Highway, Glenshaw, Pa. 15116. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 114533 (Sub-No. 296 TA), filed March 20, 1974. Applicant: BANKERS DISPATCH CORPORATION, 4970 South Archer Ave., Chicago, Ill. 60632. Applicant's representative: Stanley Komosa (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Laboratory specimens and reports used in pathological testing, and perishable bacteriological culture media*, between points in Johnson County, Kans., on the one hand, and, on the other, points in Missouri, Illinois, and Nebraska, for 180 days. SUPPORTING SHIPPER: Mr. C. Walter Langston, Ph. D., President, Langston Laboratories, Inc., 2005 West 103rd Terrace (B), Leawood, Kans. 66206. SEND PROTESTS TO: Robert G. Anderson, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Everett McKinley Dirksen Building, 219 S. Dearborn St., Room 1086, Chicago, Ill. 60604.

No. MC 114725 (Sub-No. 60 TA), filed March 26, 1974. Applicant: WYNNE TRANSPORT SERVICE, INC., 2606 North 11th Street, Omaha, Nebr. 68110. Applicant's representative: Patrick E. Quinn, 605 South 14th Street, P.O. Box 82028, Lincoln, Nebr. 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Mineral seal oil*, from West Branch, Mich. to Sycamore, Ill.; Council Bluffs, Iowa; Omaha, Nebr.; and Tulsa, Okla., for 180 days. SUPPORTING SHIPPER: Searle Petroleum Company, Carl B. Jepsen, President, 2200 South Avenue, Council Bluffs, Iowa. SEND PROTESTS TO: District Supervisor Carroll Russell, Interstate Commerce Commission, Bureau of Operations, Suite 620, Union Pacific Plaza, 110 North 14th Street, Omaha, Nebr. 68102.

No. MC 123407 (Sub-No. 159 TA) filed March 26, 1974. Applicant: SAWYER TRANSPORT, INC., South Haven Square, U.S. Highway 6, Valparaiso, Ind. 46383. Applicant's representative: Robert W. Loser, 1009 Chamber of Commerce Building, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flat glass*, from Nashville, Tenn. to points in the United States (except Hawaii and Alaska), for 180 days. SUPPORTING SHIPPER: Ford Motor Company, Nashville Glass Plant, P.O. Box 1355, Nashville, Tenn. 37202. SEND PROTESTS TO: J. H. Gray, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 345 W. Wayne Street, Room 204, Fort Wayne, Ind. 46802.

No. MC 124078 (Sub-No. 584 TA), filed March 20, 1974. Applicant: SCHWERMAN TRUCKING CO., 611 South 28th Street, Milwaukee, Wis. 53246. Applicant's representative: Richard H. Prevette (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Tall oil liquid rosin*, in bulk, from Charleston, S.C., to Nitro, W. Va., for 180 days. SUPPORTING SHIPPER: Westvaco Corporation, P.O. Box 7061, Charleston Heights, S.C. 29405 (B. D. Thomas, Manager, Tall Oil Dept.). 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 126276 (Sub-No. 93 TA), filed March 25, 1974. Applicant: FAST MOTOR SERVICE, INC., 9100 Plainfield Road, Brookfield, Ill. 60513. Applicant's representative: Albert A. Andrin, 29 S. La Salle Street, Chicago, Ill. 60603. Au-

thority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Containers and container ends*, from the plant site of National Can Corporation at Danbury, Conn., to Blue Ash, Ohio; Newport, Ky.; Venice, Ill.; and Evansville, Ind., for 180 days. SUPPORTING SHIPPER: Mr. John R. Moosbrugger, Manager of Distribution Systems, National Can Corporation, 5959 South Cicero, Chicago, Ill. 60604. SEND PROTESTS TO: District Supervisor R. G. Anderson, Interstate Commerce Commission, Bureau of Operations, Everett McKinley Dirksen Building, 219 S. Dearborn Street, Room 1086, Chicago, Ill. 60604.

No. MC 127366 Sub-No. 2 TA), filed March 22, 1974. Applicant: F. PAUL PURDY, Route 4, Loudon, Tenn. 37774. Applicant's representative: LaVern Martens, 450 East Illinois Street, Chicago, Ill. 60611. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, in vehicles equipped with mechanical refrigeration, between Doraville, Ga., on the one hand, and, on the other, points in Alabama, Louisiana, Mississippi, and Tennessee, for 180 days. SUPPORTING SHIPPER: Breakstone Sugar Creek Foods, Division of Kraftco Corp., Chicago, Ill. 60611. SEND PROTESTS TO: Joe J. Tate, District Supervisor, Bureau of Operations, Interstate Commerce Commision, 803 1808 West End Building, Nashville, Tenn. 37203.

No. MC 129350 (Sub-No. 42 TA), filed March 25, 1974. Applicant: CHARLES E. WOLFE, doing business as EVERGREEN EXPRESS, P.O. Box 212, 410 N. 10th St., Billings, Mont. 59103. Applicant's representative: Clayton Brown (Same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feed mill equipment and supplies*, except commodities in bulk, in tank vehicles, from Houghton, Iowa, Bluffton, Ind., Zeeland, Mich., Greenville, Miss., Columbus, Nebr., and Springfield, Ohio, to Billings, Mont., for 180 days. SUPPORTING SHIPPER: Robert H. Hamlin d/b/a Agri-Systems, 3115 First Avenue South, Billings, Mont. 59101. SEND PROTESTS TO: Paul J. Labane, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 222 U.S. Post Office Building, Billings, Mont. 59101.

No. MC 133318 (Sub-No. 7 TA), filed March 28, 1974. Applicant: VAN DE HOGEN CARTAGE LIMITED, Route 4, Chatham, Ontario, Canada. Applicant's representative: William J. Hirsch, 35 Court Street, Buffalo, N.Y. 14202. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Building brick and glazed tile*, from Lewis Run and Summerville, Pa., to ports of entry on the International Boundary in New York and Michigan on traffic having a subsequent movement in foreign commerce; and, *returned, rejected and refused shipments in the reverse direction*, for 90 days. SUPPORTING SHIPPER: Webster and Son, Limited, 1912 St. Claire Street, Toronto, Ontario, Canada. SEND PROTESTS TO: Melvin F. Kirsch, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 1110 Broderick Tower, 10 Witherell Avenue, Detroit, Mich. 48226.

No. MC 136786 (Sub-No. 49 TA), filed March 26, 1974. Applicant: ROBCO TRANSPORTATION, INC., 3033 Excelsior Boulevard, Room 210, Minneapolis, Minn. 55416. Applicant's representative: K. O. Petrick (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Puddings and sauces, when moving in mixed loads with dairy products*, from points in Minnesota and Wisconsin to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia, restricted to traffic originating at the plantsites and storage facilities utilized by Land O'Lakes at points in Minnesota and Wisconsin and destined to points in the named states, for 180 days. SUPPORTING SHIPPER: Land O'Lakes, Inc., 614 McKinley Place, Minneapolis, Minn. 55413. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building & U.S. Court House, 110 S. 4th Street, Minneapolis, Minn. 55401.

No. MC 136987 (Sub-No. 9 TA), filed March 26, 1974. Applicant: REMINGTON FREIGHT LINES, INC., P.O. Box 315, U.S. Highway 24 West, Remington, Ind. 47977. Applicant's representative: John J. Keller, 145 W. Wisconsin Avenue, Neenah, Wis. 54956. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dessert preparations and beverage preparations*, liquid or dry, in packages and/or containers (except in bulk), from West Chicago, Ill. to points in Connecticut, Maryland, Massachusetts, Minnesota, New Jersey, New York, Ohio, and Pennsylvania, under contract to The Jel Sert Company, West Chicago, Ill., for 180 days. SUPPORTING SHIPPER: The Jel Sert Company, P.O. Box 261, West Chicago, Ill. 60185. SEND PROTESTS TO: J. H. Gray, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 345 W. Wayne Street, Room 204, Fort Wayne, Ind. 46802.

No. MC 138276 (Sub-No. 1 TA), filed March 21, 1974. Applicant: J & G TRANSPORT LTD., 8907—116th Street, Delta, British Columbia, Canada V4C 5W4. Applicant's representative: Clyde H. MacIver, 1001 Fourth Avenue, Suite 3712, Seattle, Wash. 98154. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: (1) *Scrap aluminum, scrap carburetors, generators, fuel pumps, starters, water pumps, alternators, hydro vacs, and heavy duty units*, from Port of Entry on the International Boundary between the United States and Canada at or near Blaine, Wash., to Riverside, Calif., and Los Angeles, Calif., and (2) *automotive wheels and component parts, rebuilt carburetors, generators, fuel pumps, carburetors, starters, water pumps, hydro vacs, heavy duty units, carpet and underlay*, from Los Angeles, Calif., to Port of Entry on the International Boundary between the United States and Canada at or near Blaine, Wash., for 180 days. The above traffic all to move directly between Blaine, Wash., at the Port of Entry on the International Boundary between the United States and Canada and Riverside and Los Angeles, Calif., via Interstate Highway No. 5. SUPPORTING SHIPPERS: Keystone A & A Industries Ltd., 728 River Road, Richmond, B.C.; Northwest Pacific Distributors Ltd., 1795 Powell Street, Vancouver 6, B.C.; Carpet City Sales Ltd., 13110 64A Ave., Surrey, B.C., Canada; Alcan Canada Products, 1260 Vulcan Way, Richmond, B.C. Canada. SEND PROTESTS TO: L. D. Boone, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 6049 Federal Office Bldg., Seattle, Wash. 98104.

No. MC 138295 (Sub-No. 2 TA), filed March 25, 1974. Applicant: CYCLONE TRANSPORT, INC., 104 Black Hawk Street (Box A), Reinbeck, Iowa 50669. Applicant's representative: Larry D. Knox, 9th Floor, Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Refuse containers and compactors;* (2) *hoists;* (3) *truck bodies, boxes, and platforms;* and (4) *parts and accessories* for commodities in (1), (2) and (3), from the facilities of Mid-Equipment, Inc. at or near Grundy Center, Iowa, to points in Illinois, Indiana, Ohio, New York, and Pennsylvania, restricted to shipments originating at the named origin and destined to points in the named destination states, for 180 days. SUPPORTING SHIPPER: Mid-Equipment, Incorporated, Grundy Center, Iowa 50638. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 138992 (Sub-No. 2 TA), filed March 25, 1974. Applicant: MFT, INC., 209 Ruth Street, Sioux Falls, S. Dak. 57102. Applicant's representative: Kenneth P. Weiner, 608 Executive Building, 1624 Douglas Street, Omaha, Nebr. 68102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, packinghouse products and commodities used by packinghouses* as described in Appendix I to the *Report in Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, except commodities in bulk and hides, from Sioux Falls, S. Dak., to points in Texas, Oklahoma, Missouri, Kansas, Wisconsin, Ohio, New Hampshire, Minnesota, Iowa, Indiana, and Maryland, for 180 days. SUPPORTING SHIPPER: Meilman Food Industries of Sioux Falls, S. Dak., 209 South Ruth Street, Sioux

Falls, S. Dak. 57102, Gene Phillips, Traffic Manager. SEND PROTESTS TO: J. L. Hammond, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 369, Federal Building, Pierre, S. Dak. 57501.

No. MC 139068 (Sub-No. 2 TA), filed March 22, 1974. Applicant: ROADRUNNER TRANSPORTATION, INC., 1024 Topaz Lane, Villa Rica, Ga. 30180. Applicant's representative: Virgil H. Smith, 1587 Phoenix Blvd., Suite 12, Atlanta, Ga. 30349. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Electric aluminum cable, cable clamps or joints, circuit breakers or switches or parts, transformers and transformer parts, pulley blocks, capstans, winches or windlasses, pole line construction materials, and plastic products*, to operate from, to or between the following points or described areas: From the plantsite of Western Power Products, Inc., at Villa Rica, Ga., to points in Alabama, Connecticut, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana (on and east of the Mississippi River), Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, for 180 days. RESTRICTION: The authority described herein will not apply on articles requiring heavy or specialized equipment. SUPPORTING SHIPPER: Western Power Products, Inc., P.O. Box 605, Villa Rica, Ga. 30180. SEND PROTESTS TO: William L. Scroggs, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 309, 1252 West Peachtree Street, Atlanta, Ga. 30309.

No. MC 139540 (Sub-No. 1 TA), filed March 21, 1974. Applicant: TOM E. TUCKER, 1018 Grace, Spokane, Wash. 99205. Applicant's representative: Donald A. Ericson, 708 Old National Bank Building, Spokane, Wash. 99201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Machinery and equipment, and parts, supplies, and accessories* for machinery and equipment, between points in Spokane County, Wash., and the Port of Entry on the United States-Canada Boundary line at or near Eastport, Idaho, restricted to the transportation of traffic having a prior or subsequent movement in foreign commerce, for 180 days. SUPPORTING SHIPPERS: Caterpillar Tractor Co., E. 6811 Mission, Spokane, Wash.; Finning Tractor & Equipment Co., Ltd., 555 Vancouver 10, British Columbia, Canada. SEND PROTESTS TO: L. D. Boone, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 6049 Federal Office Building, Seattle, Wash. 98104.

No. MC 139542 (Sub-No. 1 TA), filed March 22, 1974. Applicant: HUGH O'REILLY, 5190 Houston Road, Macon, Ga. 31206. Applicant's representative: T. Baldwin Martin, P.O. Box 4987, 700 Home Federal Building, Macon, Ga. 31208. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cow hides* in bales or bundles in van refrigerated trailers and on return trips to transport *produce of different varieties*, from G. Bernd Company in Macon, Ga., to Houston Tex., and the counties of Galveston, Chambers, Fort Bend, Liberty, Montgomery, and Waller; Laredo, Tex., Brownsville, and Galveston, Tex.; Milwaukee, Wis., and to Boston, Mass., and the counties of Norfolk, Suffolk, and Middlesex, for 180 days. SUPPORTING SHIPPER: G. Bernd Company, 167 Riverside Drive, Macon, Ga. SEND PROTESTS TO: William L. Scroggs, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 1252 West Peachtree Street NW., Room 309, Atlanta, Ga. 30309.

No. MC 139598 (Sub-No. 1 TA), filed March 26, 1974. Applicant: ROBERT L. HAVLICEK, R. R. 1, Monona, Iowa 52159. Applicant's representative: Carl E. Munson, 469 Fischer Building, Dubuque, Iowa 52001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *Dry vitamin or nutritional supplements*, for animal and poultry feeds, in bags, from Prairie de Chien, Wis., to points in Iowa, for 90 days. SUPPORTING SHIPPER: A. W. Thompson Company, 416 East Hayden Street, Praire du Chien, Wis. 53821. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 139629 TA, filed March 20, 1974. Applicant: BOOTH REFRIGERATED LINES, INC., 1308 16th Avenue, Central City, Nebr. 68826. Applicant's representative: Patrick E. Quinn, 605 South 14th Street, Lincoln, Nebr. 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods* (except meats and meat products), from York and Omaha, Nebr., to points in Illinois, Iowa, Minnesota, South Dakota, and Wisconsin, for 180 days. RESTRICTION: Restricted to traffic originating at the facilities of or utilized by Delicious Foods Co., of Grand Island, Nebr., and destined to points in the above-named destination states. SUPPORTING SHIPPER: Robert E. Martin, Vice-President, Marketing, Delicious Foods Co., North U.S. Highway 281, Box 730, Grand Island, Nebr. 68801. SEND PROTESTS TO: Max H. Johnston, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 320 Federal Building & Court House, Lincoln, Nebr. 68508.

By the Commission.

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

[FR Doc.74-8133 Filed 4-8-74;8:45 am]

LIST OF FEDERAL REGISTER PAGES AND DATES—APRIL:

The following numerical guide is a list of parts of each title of the Code of Federal Regulations affected by documents published to date during April.

FEDERAL REGISTER PAGES AND DATES—APRIL

Pages	*Date*
11855–11964	Apr. 1
11965–12079	2
12081–12235	3
12237–12317	4
12319–12720	5
12721–12848	8
12849–12969	9

federal register

TUESDAY, APRIL 9, 1974
WASHINGTON, D.C.
Volume 39 ■ Number 69

PART II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

■

INSTITUTIONS OF HIGHER EDUCATION

Instructional Equipment Grants

Title 45—Public Welfare

CHAPTER I—OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 171—INSTRUCTIONAL EQUIPMENT GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION

Notice of proposed rulemaking was published in the FEDERAL REGISTER on November 30, 1973 at 38 FR 33096, setting forth regulations and guidelines governing the administration of Title VI–A of the Higher Education Act of 1965, as amended. This program provides financial assistance to institutions of higher education for acquisition of equipment to improve undergraduate instruction. Pursuant to section 503 of the Education Amendments of 1972, a public hearing was held January 11, 1974 in Washington, D.C., on the proposed regulations. In addition, written comments were invited.

No comments were received either orally or in writing. Minor changes have been made to correct typographical errors or other solely technical matters.

After making necessary minor technical changes, Part 171 of Title 45 of the Code of Federal Regulations is amended to read as set forth below.

Effective date. Pursuant to section 503(d) of the Education Amendments of 1972 (P. L. 92–318), these regulations become effective on May 9, 1974.

(Catalog of Federal Domestic Assistance Program No. 13.518, Higher Education, Instructional Equipment)

Dated: March 7, 1974.

JOHN OTTINA,
U.S. Commissioner of Education.

Approved: March 26, 1974.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

Sec.

AUTHORITY: Secs. 601–609, 1201–1204 of Pub. L. 89–329, as amended, 79 Stat. 1261–1266, 1269–1270 as amended (20 U.S.C. 1121–1129, 1141–1142b), unless otherwise noted.

§ 171.1 Definitions.

As used in this part:

"Act" means Public Law 89–329, the Higher Education Act of 1965, as amended. Unless otherwise indicated, title references are to titles of the Act. All terms defined herein shall have the same meaning as given them in section 1201(a) of the Act.

"Branch campus" means a campus of an institution of higher education which is located in a community different from that in which its parent institution is located. A campus shall not be considered to be located in a community different from that of its parent institution unless it is located beyond a reasonable commuting distance from the main campus of the parent institution.

(20 U.S.C. 1125(a).)

"Category" refers to Category I (laboratory and other special equipment) or Category II (television equipment for closed-circuit direct instruction).

"Combinations of institutions of higher education" means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf.

(20 U.S.C. 1141(j).)

"Developing institution" means an eligible institution of higher education which has the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons is struggling for survival and is isolated from the main currents of academic life.

(20 U.S.C. 1051.)

"Expenditures for instructional and library purposes" means the sum of "expenditures for instruction and departmental research" and "library expenditures".

"Expenditures for instruction and departmental research" include all expenditures of instructional departments, including salaries, office expense and equipment, laboratory expense and equipment, and other expenses. The term includes research not separately organized or separately budgeted, but excludes sponsored research and other separately budgeted research.

"Library expenditures" includes the total expenditures for separately organized libraries, both general and departmental, including those for salaries, wages, other operating expenses, books, subscriptions, continuations, and binding costs.

"Full-time equivalent number of students" means for purposes of determining State allotments, the number of full-time students enrolled in programs which consist wholly or principally of work normally creditable toward a bachelor's or higher degree plus one-third of the number of students enrolled in programs which are not chiefly transferable toward a bachelor's or higher degree, plus 28 percent of the remaining number of students. Student enrollment figures for each fiscal year for the purpose of this computation shall be those listed in the most recent edition of the Office of Education publication "Opening Fall Enrollment in Higher Education".

"Institutional fiscal year" means for a particular institution, combination of institutions, or branch campus, a period of one year, not necessarily corresponding with the school year, at the end of which financial accounts are closed and reports made.

"Eligible subjects" means courses at the undergraduate level in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, and education, or any interdisciplinary educational activity embodying such a course or a combination thereof.

(20 U.S.C. 1123(2)(A).)

"Laboratory and other special equipment and materials" means items of equipment, as defined in this section, and materials, as defined in this section, which are to be used in providing instruction in eligible subjects in institutions of higher education. The term does not include items for non-instructional uses such as organized research or general administration nor does it include general purpose furniture, radio or television broadcast apparatus or items for the maintenance or repair of equipment.

"Project" means a separate proposal for improvement of undergraduate instruction in one or more of the eligible subjects through either (a) the acquisition (by purchase, lease-purchase, or lease) and use of laboratory and other special equipment and materials (and directly associated minor remodeling), or (b) the acquisition (by purchase, lease-purchase or lease) and use of television equipment and materials for closed-circuit direct instruction (and directly associated minor remodeling).

(20 U.S.C. 1124(a).)

"Semester credit hour equivalent" means the unit of credit which the institution awards to a student for a class meeting one hour per week for a semester or a laboratory meeting two or three hours per week for a semester. The total shall include all failure, withdrawal, or incomplete listings that appear on the student's permanent record. For purposes of this definition the term "semester" means a period of approximately 15 weeks of instruction. Where credits are recorded at an institution or branch campus on the basis of some other length or term, such as a "quarter", or where credits are not normally recorded, the credit hours of other units of accomplishment are to be converted to semester hour equivalents for purposes of reporting in applications submitted under this part. Any such conversions to semester credit hour equivalents shall be supported by definitive explanations satisfactory to the State commission, of the basis on which the conversions are calculated and shall in all cases be subject to adjustment by the State commission.

(20 U.S.C. 1122(a)(1)(A).)

"State Commission" means the State agency designated or established pursuant to section 603 of the Act.

(20 U.S.C. 1123.)

"State plan" means the document submitted by the State commission and approved by the Commissioner, which sets forth the standards, methods, and administrative procedures whereby the State commission shall review projects proposed by applicants in the State for Federal assistance under this part and shall determine and recommend the relative priority of each such project and the Federal share of the costs eligible for Federal financial participation.

(20 U.S.C. 1123.)

"Television equipment for closed-circuit direct instruction" means fixed or movable equipment items which are suitable for use in originating, distributing, and receiving programs or units of instruction by closed-circuit television, in institutions of higher education. The term includes studio equipment, control and recording equipment, transmitters, receivers and associated distribution equipment, antennas, and supporting towers for instructional television fixed services as defined by the Federal Communications Commission and for point-to-point microwave relay equipment, but does not include towers, antennas, or broadcast transmitters designed to operate on VHF or UHF frequencies in the standard broadcast band. "Closed-circuit direct instruction" includes all uses of television equipment and materials involving the distribution of television instruction from any source such as television cameras, film chains, video-tape recording or playback apparatus, monoscope devices or receiving antennas, to one or more television monitors or receivers at one or more viewing locations. The term does not include closed-circuit installations for any noninstructional uses, such as monitoring for security purposes.

(20 U.S.C. 1123(2)(B).)

"Textbook" means a book or workbook or manual which is used as a principal source of study materials for a given class or group of students, a copy of which is expected to be available for the individual use of each student in such a class or group.

(20 U.S.C. 1123(2)(A).)

"Undergraduate level" programs of instruction mean all courses of regular length which are intended primarily for meeting program requirements for students pursuing bachelor's degrees or first professional degrees in programs which do not require 3 or more years of previous college work for entry and do not extend beyond the fifth year of college, students pursuing associate degrees, or students enrolled in terminal-occupational programs. Not included under this definition are courses which are intended primarily for meeting program requirements for students pursuing graduate degrees or first professional degrees in programs extending beyond the fifth year of college or requiring 3 or more years of previous college work for entry into a first professional degree program. Also excluded are non-credit courses and conferences.

(20 U.S.C. 1141(a).)

§ 171.2 General provisions.

Assistance provided under this part is subject to applicable provisions contained in Subchapter A of this chapter (relating to fiscal, administrative, property management, and other matters).

(20 U.S.C. 1121, 45 CFR 100a.)

§ 171.3 Conditions for grant approval.

Before approving a grant under this part, the Commissioner shall verify:

(a) That the institution qualifies as an institution of higher education under section 1201(a) of the Act;

(b) That the application contains the assurances required by and meets all the other conditions set forth in section 605(b) of the Act;

(c) That the applicant shows evidence of meeting the maintenance of effort requirement under section 604;

(d) That the applicant has certified that none of the equipment or materials covered by the project will be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity, as defined in section 609 of the Act, and

(e) Where a combination of institutions is involved, that each institution individually meets the above basic eligibility requirements.

(20 U.S.C. 1141(a), 1125(b), 1124(b), and 1129.)

§ 171.4 Submission and processing of applications.

(a) *Closing dates for filing applications.* (1) Closing dates by which applications may be filed with and accepted by the State commission shall be established in the State plan. Separate applications must be filed for grants in each category. Unless otherwise provided in the State plan the date of receipt of a complete application shall be determined by the United States Post Office postmark date when mailed or by the date of physical receipt if hand delivered. Where a closing date falls on a non-business day, the closing date shall be the first business day thereafter as determined by the State commission.

(2) The State plan shall provide for not more than two closing dates per category set forth in section 601(b) and (c) of the Act for any Federal fiscal year, and all such closing dates shall be between October 15 and February 15. The total allotment shall be available for grants as of the first applicable closing date in each Federal fiscal year.

(20 U.S.C. 1123.)

(b) *Submission of project applications.* Applications for grants under this part may be submitted only by institutions of higher education or by a combination of such institutions. Such applications shall be submitted on forms provided by the Commissioner directly to the appropriate State commission in the number of copies specified by the State commission. Each application shall provide information on deficiencies to be remedied and describe a plan for improvement, and also contain such supplemental information as may be required by the State commission. Applications shall cover a single institution, or branch campus of an institution, or a combination of such institutions. Unless otherwise provided in the applicable State plan, not more than one application shall be submitted for any single institution, branch campus, or any combination of institutions for a particular fiscal year. Where an institution is part of a combination of institutions, the filing of a separate application by a participating institution shall not be precluded by filing as part of a combination. The State commission shall accept all complete applications under this part provided such applications are submitted in accordance with the above limitations and shall officially record the date of receipt of each such complete application. Any application which is incomplete shall be returned promptly to the applicant with an explanation of deficiencies to be corrected before the application can be accepted for consideration by the State commission as of the next closing date in the current fiscal year, if any.

(20 U.S.C. 1124(a).)

(c) *Verification of application data and institutional and project eligibility.* Before determining the relative priority or Federal share for any application for grant assistance under Part A, Title VI of the Act, the State commission shall satisfy itself that the data contained in the application are valid, and that the institution (or each institution in a combination of institutions) and the project meet the basic eligibility requirements set forth in the Act and the regulations governing the administration of the Act. In any case where in the opinion of the State commission a question may be raised as to the eligibility of the institution, or of a combination of institutions, or of a project, the State commission shall promptly forward a copy of the application to the Office of Education for clarification of such eligibility. In any such case, the State commission shall continue to process and rank such applications considered as of the same closing date until receipt of notification by the Office of Education of the disposition of the eligibility question.

(20 U.S.C. 1125(d).)

(d) *Determination of relative priorities and Federal shares.* All applications received by each specified closing date, and verified by State commission review to be accurate and complete, shall be considered together and assigned relative priorities and recommended Federal shares in accordance with the provisions of the State plan.

(20 U.S.C. 1125(b).)

(e) *Procedures where funds are insufficient to provide full Federal shares for all eligible projects.* In any case where

the funds available in a State allotment for projects in either category considered as of a particular closing date are insufficient to cover all eligible applications, the State commission shall nevertheless determine the full Federal share, calculated according to the State plan, for all projects in their order of relative priority, in each category until the remaining available funds are insufficient to provide the full Federal share as calculated for the next project in order of priority. The amount of the remaining funds shall be offered as a reduced Federal share for the next project in order of relative priority for which less than the full Federal share as calculated is available. An applicant offered such a reduced Federal share shall be entitled to reduce the scope of the project to a level not less than that required to qualify under the State plan for such a Federal share amount.

(20 U.S.C. 1124(b).)

(f) *Recommendation by State Commissions.* Promptly upon completing its consideration of applications as of each closing date, and no later than March 31 of each Federal fiscal year, each State commission will forward to the Commissioner:

(1) A current project report, on forms supplied by the Commissioner, listing applications in each category received or carried over from the previous closing date, each application returned to the applicant and the reason for return of such application, each application considered as of the closing date, and the priority and Federal share determined according to the State plan for each project considered;

(2) The application form and exhibits in the number of copies requested by the Commissioner for each project assigned a priority high enough to qualify for a Federal grant within the amount of funds available in the allotment for the State; and

(3) Copies of correspondence documenting the offering and either the acceptance or rejection of a reduced Federal share pursuant to paragraph (e) of this section.

(20 U.S.C. 1123(3).)

(g) *Notification to applicants.* The State commission shall promptly notify each applicant of the result of all final determinations regarding its application as of each closing date and the records of official State commission proceedings shall be a matter of public record within the State.

(20 U.S.C. 1123.)

(h) *Disposition of applications which are not recommended for grants.* Applications which are not recommended for a grant within the fiscal year for which they are filed, shall be retained by the State commission until such commission is notified that all recommended applications for such fiscal year have been approved by the Commissioner. New applications shall be required to be filed each fiscal year for each project which does not receive a recommendation for a grant and which the applicant desires to have reconsidered in a subsequent year.

(20 U.S.C. 1124(a).)

(i) *Offer and acceptance of grant.* For a project application which meets all eligibility requirements the Commissioner will approve the application and reserve Federal funds from the appropriate State allotment and will prepare and send to the applicant a grant award which sets forth the pertinent terms and conditions, and which is contingent upon acceptance by the applicant within a specified period of time.

(20 U.S.C. 1126.)

(j) *Amendment of project applications.* Any time prior to a closing date for which an application is to be considered, the applicant may make changes in the application by written notification to the State commission. After any such closing date, no changes in applications shall be permitted, except corrections or submission of additional data as requested by the State commission and reductions in project scope as provided for in paragraph (e) of this section. Once an application has been recommended for a grant by a State commission, no increase in recommended Federal grant funds for the particular project will be considered, except where funds become available to supplement reduced Federal shares for projects for which the full Federal share calculated under the State plan was not available at the time the project application was recommended by the State commission.

(20 U.S.C. 1125(c).)

§ 171.5 Criteria for standards and methods to determine relative priorities of eligible projects.

(a) The State plan shall set forth a single set of standards for determining relative priorities for Category I grants and for Category II grants. Separate applications, however, must be filed with respect to each category. Such standards shall include the following, each of which shall be assigned at least the indicated percentage of the total weight possible to be assigned to all standards for such projects.

(1) One or more standards dealing with relative financial needs of the applicant institution or combinations of institutions (at least 30 percent of total weight) with priority advantage given to applicant institutions with relatively greater financial need.

(2) One or more standards designed to measure the extent to which the applicant's program will be improved by the proposed project (at least 10 percent of total weight).

(b) The State plan may include additional standards for determining relative priorities of projects which are not inconsistent with the criteria set forth in paragraph (a) of this section and which will carry out the purposes of the Act.

(c) Unless otherwise provided for in the State plan, in the case of any new institution which has not been in operation for at least one year preceding the year in which the application is filed, the State plan shall provide for assigning one-half of the points provided for in the standards required by paragraph (a)(1) and (2) of this section.

(d) The methods for application of the standards shall provide for the assignment of point values for each standard applied, and shall provide specific methods for determining the number of points which each application considered shall be awarded for each standard including provisions for averaging priority factors for individual institutions covered in an application for a combination of institutions on a weighted or composite basis according to semester credit hour equivalents. The assignment of points for each standard may be by any one of the following methods, or by similar methods, a different one of which may be used in connection with each standard.

(1) Applications may be ranked according to relative performance for the standard, and assigned a point score for relative rank.

(2) Applications may be compared to a scoring table for the standard and assigned points accordingly. In connection with standards required by paragraph (a)(1) of this section, State plans may provide for separate scoring scales for applications for different sizes or different educational or functional types of institutions if such tables are supported by normative data based on recent research and analysis.

(3) Applications may be compared to a fixed requirement for the standard, and assigned points if they meet the requirement or denied points if they do not. This type of scoring should be used where comparison against the standards involve a "yes-no" decision.

(e) The method of application of the standard shall provide also for determination of relative priorities on the basis of the total of the points earned by each application for each applicable standard and shall specify factors to be applied in determining which application shall receive the higher priority in the case of identical scores for applications where funds available in the applicable State allotment are insufficient to provide full Federal shares for both or all of the applications.

(f) The standards and methods for determining relative priorities must be developed on the basis of information which is to be submitted on the application form prescribed by the Commissioner, required by the State commission to be submitted in connection with the filing of an application, or contained in reports or publications readily available to the State commission and the institutions within the State. In no event shall an institution's readiness to admit out-of-State students or the number of such out-of-State students be considered as a priority factor adverse to such institution, and in no event may the nature of the control or sponsorship of the

institution be considered as a priority factor either in favor of, or adverse to, an institution.

(20 U.S.C. 1124(a).)

§ 171.6 Criteria for standards and methods to determine Federal shares of eligible projects.

(a) The State plan shall prescribe the standards and methods in accordance with which the State commission shall determine the Federal share of such costs. In no event may the Federal share of a project exceed the percentage of the eligible project cost specified by the Act.

(20 U.S.C. 1124(a).)

(b) The State plan may provide for Federal shares of up to 80 percent of the project cost for institutions proving an insufficiency of resources to otherwise participate in the program under this part and an inability to acquire such resources. Any such provision in a State plan shall include specification of criteria which will have to be satisfied before such a determination will be made by the State commission. The Federal share may in no case be increased above 50 percent except where such provisions are included in the State plan as approved by the Commissioner. In the instance of an applicant qualifying as a developing institution pursuant to Title III of the Act, the State commission may provide for special consideration.

(20 U.S.C. 1124(b).)

(c) Standards and methods for determining the Federal share pursuant to paragraphs (a) and (b) of this section (1) must be clearly defined and simple to apply; (2) must involve the use only of information which is to be submitted on the application form prescribed by the Commissioner, required by the State commission to be submitted on supplemental State forms to accompany the application, or contained in reports or publications readily available to the State commission and the institutions of higher education in the States; (3) must be such as will enable an applicant to calculate in advance (on the assumption that sufficient funds will be available to cover all applications) the Federal share of the estimated eligible project costs which the State commission will certify to the Commissioner if it recommends the project for a Federal grant; and (4) must be consistent with criteria published by the Commissioner with respect to the determination of relative priorities among projects and be promotive of the purposes of Part A, Title VI of the Act.

(20 U.S.C. 1124.)

§ 171.7 Fiscal control and fund accounting procedures.

(a) *State commissions.* Each State plan shall contain specific information regarding fiscal control and fund accounting procedures, as required by the Commissioner, to ensure proper disbursement of and accounting for Federal funds which may be paid to the State commission for expenses necessary for the proper and efficient administration of the State plan.

(20 U.S.C. 1123(5).)

(b) *Institutions and combinations of institutions.* Applicants shall maintain adequate accounting and fiscal records and accounts of all funds provided from any source to pay the cost of equipment, materials, and minor remodeling for each approved project, and audit of the financial records of the institution by the Commissioner's designated representative shall be permitted and facilitated by applicants at any reasonable time. In connection with combinations of institutions, fiscal control shall be the responsibility of the agency or institution designated or created by the group of institutions to file the application.

(20 U.S.C. 1123(5)(A).)

§ 171.8 Retention of records.

State commissions shall establish a complete case file on each Title VI-Part A application received; inform applicants of official actions and determinations by letter or similar type of correspondence, and retain records regarding each case for at least three years after final action with respect to the application has been taken by the State commission. In addition, each State commission shall maintain a full record of all hearings on appeals pursuant to Section 604(3) of the Act, and all proceedings by which it establishes relative priorities and recommended Federal shares for eligible projects considered as of each specified closing date and shall retain such records for at least three years.

(20 U.S.C. 1124(5)(B).)

§ 171.9 State plans.

(a) The Commissioner shall approve a State plan only after he has received satisfactory assurance and explanation regarding the basis on which the State commission submitting the plan meets the requirements of section 603 of the Act. A new or revised State plan submitted in accordance with section 603 shall be submitted on forms or in a format supplied by the Commissioner and shall contain all provisions required by the Commissioner pursuant to section 603 of the Act and other sections of the regulations in this part, together with such additional organizational and administrative information as the Commissioner may request.

(b) All proposed amendments to the State plan shall be submitted to the Commissioner for his approval in such form and in accordance with such instructions as are established for that purpose. Such amendments shall apply uniformly to all applications to be considered together as of any closing date, and, unless otherwise provided in the State plan, shall become effective immediately upon approval by the Commissioner, except that in no event shall any amendment which affects the standards and methods for determining priorities or Federal shares or any amendment providing for an additional closing date or for the change in an existing closing date become effective sooner than 60 days after the date the proposal to make such amendment is received by the Commissioner and 30 days after the date of the Commissioner's approval of the amendment as part of the State plan: provided, however, that amendments which are required by amendments of the Act or of these regulations or are designed to implement promptly amendments of the Act or of these regulations may be made effective immediately upon their approval by the Commissioner.

(c) State plan amendments conforming to the provisions in these regulations regarding closing dates and determination of priorities shall be submitted and approved prior to State commission actions on any Part A, Title VI applications.

(20 U.S.C. 1123.)

§ 171.11 Determination of costs eligible for Federal participation.

(a) Projects under this part may cover only equipment, materials and directly associated minor remodeling which are consistent with the plan for improvement of instruction set forth in the approved project applications.

(20 U.S.C. 1124(b).)

(b) Costs eligible for Federal participation in connection with any approved project shall include only those costs which are for items set forth in paragraph (a) of this section, and are incurred in accordance with § 100a.80 of this chapter. Only costs incurred after filing of the application with the State commission and not later than the end of the 12th month after the grant is approved by the Commissioner or under contracts entered into within such time, shall be eligible for Federal grant participation. Costs under agreements for the leasing of equipment and materials shall be further limited to those covering a period not exceeding 12 months after such agreements are entered into. Expenditures in which Federal participation is claimed also may include the cost of raw or processed materials or component parts to be made into finished products or into complete equipment units, including the cost (above and beyond salaries of regular employees of the applicant) of making and assembling such equipment.

(20 U.S.C. 1124(b).)

(c) Budgets for projects as approved shall be based upon tentative equipment lists which will be required to be submitted with each application. Applicants may substitute or add other eligible items which are similar in nature or serve the same defined or basic instructional function and are in line with the plan for improvement of undergraduate instruction set forth in the application as originally approved. Examples of possible reasons are as follows:

(1) The original instructional goal will be better accomplished by new items to be substituted.

(2) Limitations of availability or source of supply may compel substitution.

(3) Specifications of original items cannot be met by manufacturers.

(4) Substitutions needed to accommodate changes in instructional curriculum or academic personnel.

(5) Advances in educational technology may result in availability of newer or more appropriate equipment.

(20 U.S.C. 1125(a).)

GUIDELINES FOR INSTRUCTIONAL EQUIPMENT GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION

(Title VI–A, Higher Education Act, as amended)

TABLE OF CONTENTS

Part 1—Introduction

Section 1.1 *Scope of guidelines.* (a) The guidelines contained in this document are recommendations and suggestions for meeting the legal requirements which apply to Federal assistance under the Higher Education Act of 1965, Title VI–A, sections 601–610. The legal requirements include the Act itself (20 U.S.C. 1121–1129a) and the regulations (45 CFR 171). The guidelines are not to be construed as requirements. However, where the guidelines set forth a permissible means of meeting a legal requirement, the guidelines may be relied upon.

(20 U.S.C. 1211 et seq., 113 Cong. Rec. 5936, 5939 (daily ed. May 23, 1967); *United States* v. *Jefferson County Board of Education*, 372 F. 2d 836, 857 (1966).)

(b) Where a guideline is issued in connection with or affecting a provision in the regulations, the pertinent regulation will be cited after the citation of legal authority for the guideline, in the parentheses following the guideline. For example, if the legal authority for the guideline is section 604 of the Act (20 U.S.C. 1124), and the guideline affects section 171.4 of the regulations (45 CFR 171.4), the following citation will be placed on the line immediately following the guideline (20 U.S.C. 1124; 45 CFR 171.4). If no particular section of the regulations is affected, no citation to the Code of Federal Regulations (CFR) will be made.

(20 U.S.C. 1232(a).)

Sec. 1.2 *Purpose of Act.* Title VI–A of the Higher Education Act provides financial assistance for the acquisition of equipment, materials and minor remodeling to improve undergraduate instruction in institutions of higher education. Such financial assistance is provided for projects for the acquisition of laboratory and other special equipment, (Category I) or for equipment and materials for closed-circuit direct instruction, (Category II).

(20 U.S.C. 1121)

Part 2—Application for Grant

Sec. 2.2 *Who may file applications.* (a) All accredited nonprofit institutions of higher education, including post-secondary trade and vocational schools are eligible provided they comply with Title VI of the Civil Rights Act of 1964, are not "schools or departments of divinity", and meet the basic "maintenance of fiscal effort" set forth in the Act.

(b) Separate applications must be submitted for each institution, branch campus or combination of institutions. For a combination of institutions, an application may be filed either by one of the institutions designated by the combination to act on behalf of the group or by an agency designated or created by the group to act on its behalf.

(c) Unless otherwise provided in the State plan for the State in which the campus is located, no more than one Category I (laboratory and other special equipment) and one Category II (CCTV) application per institution, branch campus, or combination of institutions may be submitted in any Federal fiscal year.

(d) Institutions or branch campuses may also submit separate applications for both categories, while at the same time participate as part of a combination of institutions.

(20 U.S.C. 1125(a).)

Sec. 2.3 *Costs which may be included.* (a) Applications may be submitted only for the costs of acquisition (including necessary installation) of equipment, acquisition of materials and minor remodeling which have not been and will not be incurred prior to or under contracts entered into prior to, the filing of the project application with the appropriate State commission. Cost eligible for inclusion in the project budget shall be further limited to those which will be incurred not later than 12 months after the grant is approved, or under contracts entered into within such time, and in connection with lease purchase contracts or lease agreements, to payments made in an amount not exceeding the cost for a period of twelve months.

(b) Separate applications for Category I—laboratory and other special equipment and Category II—CCTV must be made. Costs eligible for Category II are not generally eligible for Category I and vice versa.

(20 U.S.C. 1124(b))

Sec. 2.4 *Closing dates.* Check your State plan or contact your State commission for closing dates. Applications are considered in the Federal fiscal year in which submitted, in accordance with closing dates established in each individual State plan.

(20 U.S.C. 1123)

Sec. 2.5 *Assistance in preparing the application.* (a) Payments for any private assistance obtained in the preparation of an application under this program may not be included in the cost for the project covered in such an application. Assistance in interpreting definitions, instructions, or eligibility requirements or in preparing an application may be obtained by telephoning, visiting, or writing to your State commission.

(b) Before preparing an application, the applicant should be certain that the institution or each institution in a combination of institutions, meets all institutional eligibility requirements.

(20 U.S.C. 1125.)

Part 3—Preparation for Filing of Application

Sec. 3.1 *Supplemental information.* Consult with your State commission regarding any supplemental information required. The State commission must satisfy itself that all data in the application are valid and that the institution or each institution in a combination of institutions, and the project meets the basic eligibility requirements. The State commission, in strict accordance with its published State plan, must verify Federal grant amounts, assign priority standings for all complete projects received by the appropriate State closing date, and before a specified date, recommend projects to the U.S.O.E. for final action.

(20 U.S.C. 1125; 45 CFR 171.3.)

Sec. 3.2 *Assurances.* Before submitting the application to your State commission, review the assurances contained in the application. REMEMBER: If a grant is made, these assurances become a legal and binding agreement.

(20 U.S.C. 1125; 45 CFR 171.2.)

Part 4—Institutional, Project, and Item Eligibility

Sec. 4.1 *Institutional eligibility.* An institution of higher education as defined in the Higher Education Act of 1965 and which meets all of the requirements of Sections 604(b), 605, 609 and 1201(a) is considered an eligible institution. Institutional eligibility is a prerequisite for project eligibility, which in turn is a prerequisite for item eligibility. The following sections cover project and item eligibility.

(20 U.S.C. 1125; 45 CFR 171.3(c).)

Sec. 4.2 *Project eligibility.* (a) A narrative description, covering acquisitions in each subject area of the project is required. The State commission will be reviewing these narratives very closely.

(b) Equipment, materials and directly related minor remodeling, are not, by themselves, eligible. All acquisitions must relate clearly to a project for the improvement of instruction. Acquisitions relating to noninstructional functions such as general administration, organized research or operation of the physical plant are not eligible. An entire proposal, or a part thereof, may be declared ineligible because the project or projects are not directly related to the improvement of instruction.

(c) Audiovisual and other types of equipment assigned to centralized locations that are used directly in instruction are eligible if the items will be used predominately in instruction in eligible subject, and will not be used at all for sectarian instruction or religious worship.

(20 U.S.C. 1123; 45 CFR 171.3(c).)

Sec. 4.3 *Ineligible items*—(a) *Items not directly related to instructional improvement.* Items to be used for institutional administration, organized research, operation of the physical plant, or general library operations rather than for instructional purposes are not eligible. Specific examples of items not eligible are:

(1) Items such as printing equipment in a centralized printing or duplicating service; Multilith and offset printing presses not used primarily for instructional purposes are ineligible.

(2) Microfilm readers and printers which are for general library use; and general library acquisitions such as books, periodicals and microfilm.

(3) Both analog and digital computers are generally ineligible, however, the Higher Education amendments of 1968 permit the ac-

quisition of "desk-top" computers used solely or partially for regularly scheduled undergraduate instruction in courses in eligible subjects. A "desk-top" computer normally costs less than $10,000, and has a limited storage and operational capacity.

(b) *General purpose furniture.* Examples of this type are office furniture and files, tables, and desks. Certain items such as files may be eligible if they are clearly for storage of materials directly related to an instructional program. *Seating of all types is ineligible.*

(c) *Glassware.* Examples are test tubes, tubing, cover slides and other glass or mirror items consumed in use. However, student glassware lab kits are eligible, but stock replacement parts are not.

(d) *Chemicals.* All chemicals consumed in use are ineligible.

(e) *Supplies.* All supplies which are stock operational items, that are consumed in use and no longer usable in their original form. Examples are bolts, tape, paper stock, staples, typewriter ribbons, replacement bulbs, spare parts, etc. Items such as blank film, audio or video tapes (eligible in Category II–CCTV only) which are used to produce instructional materials for extended use are eligible.

(f) *Public address systems.* Examples are school, auditorium or grandstand PA systems comprised of microphones, mounted speakers, amplifiers, etc. Portable lecterns with built-in voice amplification units for instructional use in large classrooms or lecture halls are eligible.

(g) *Radio and television broadcast apparatus.* Used for the transmission of signals on the standard AM, FM, VHF, or UHF broadcast banks; (except 2500 mHz CCTV installations). This includes broadcast towers, and transmitters.

(h) *Items for the maintenance and repair of equipment.* Examples are repair or test bench tools, equipment, spare parts and replacement units for other equipment. Items for repair and maintenance of audio-visual materials are eligible.

(i) *Textbooks.* "Textbook" means a book or workbook, or manual, which is used as a principal source of student material for a given class or group or students, a copy of which is expected to be available for the individual use of each student in such a class or group. While textbooks are ineligible, programmed instruction books (not consumed in use) are eligible where these materials are supplementary to the basic course, or are for reference use.

(j) *Athletic and recreational equipment.* Athletic and recreational equipment used for recreation, intramural programs, intercollegiate athletics or nonscheduled class activity is not eligible.

(20 U.S.C. 1123.)

Part 5—Narrative Description Exhibits

Sec. 5.1 *General information.* (a) This narrative serves two functions; first, the basic determination that the project is designed for the improvement of instruction, and secondly, the assignment of priority points by the State commission.

(b) The narrative should contain specific documentation as to how a particular item or group of items will benefit an instructional program. Similar types or classes of equipment may be covered in a single subject area narrative. Do not include a written justification for each individual item in a subject category narrative unless the sophistication of the equipment or materials warrants it.

(c) Be brief. Clarity and completeness are the essential ingredients in describing each point.

(20 U.S.C. 1123.)

Sec. 5.2 *Specific information.* In completion of the project description the following basic points should be covered for each subject area:

(a) *Deficiencies to be remedied.* Describe the specific instructional deficiencies which the project is designed to remedy. A project for a combination of institutions must describe the deficiencies to be remedied of each participating institution.

(b) *Plan for improvement.* Describe the plan for remedying the deficiencies identified above. For a combination of institutions, describe the joint plan for improvement to remedy the deficiencies indicated above.

(c) *Adequacy of resources.* Describe the adequacy of the institution's resources for the effective utilization of the acquisitions proposed in this application. For a combination of institutions, indicate the adequacy of each institution's resources for effectively utilizing its share of the proposed acquisitions and the adequacy of the combined group of institutions in meeting its joint needs. For basic equipment such as microscopes and projectors, only a very brief description is necessary. For highly sophisticated equipment such as studio type television equipment the description must cover the institutional commitment for the continuance of the program.

(20 U.S.C. 1124; 45 CFR 171.3(b).)

Sec. 5.3 *Detailed listings.* The detailed lists of equipment and materials and minor remodeling must be submitted with the application:

(a) *Equipment.* (1) List the proposed items of laboratory and other special equipment, including television equipment specifically for each subject area. Each such list should be in the following format:

Item description	Quantity	Unit cost	Total cost

(2) Tentative specifications, including exemplary make, model, or catalog number. Where the component parts are being requested, only the description of the finished item should be shown.

(3) Any items which are to be acquired by trade-in must be so identified and only net costs may be listed. Identify the item to be traded in, and the cost, before trade-in allowance, of the item to be acquired.

(b) *Materials.* List the proposed "materials" items for each particular subject to be purchased for use in improving instruction. Show only the number of items to be acquired. Actual titles of proposed films, filmstrips, recordings, or publications, should not be shown. Elimination of titles, etc., will necessitate a clear explanation of the materials total need as expressed in the narrative.

(c) *Directly associated necessary minor remodeling.* Describe in detail the specifications and show the estimated cost for minor alterations in previously completed buildings which are directly related to the installation or effective utilization of the equipment to be installed under this specific project. This includes installation charges which are separately detailed by the equipment supplier.

(20 U.S.C. 1125.)

[FR Doc.74-7981 Filed 4-8-74;8:45 am]

federal register

TUESDAY, APRIL 9, 1974

WASHINGTON, D.C.

Volume 39 ■ Number 69

PART III

ENVIRONMENTAL PROTECTION AGENCY

■

LEATHER TANNING AND FINISHING POINT SOURCE CATEGORY

Effluent Limitation Guidelines

Title 40—Protection of the Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER N—EFFLUENT GUIDELINES AND STANDARDS

PART 425—LEATHER TANNING AND FINISHING INDUSTRY POINT SOURCE CATEGORY

Various Subcategories

On December 7, 1973, notice was published in the FEDERAL REGISTER (38 FR 33860), that the Environmental Protection Agency (EPA or Agency) was proposing effluent limitations guidelines for existing sources and standards of performance and pretreatment standards for new sources within the hair pulp unhairing with chrome tanning and finishing subcategory, hair save unhairing with chrome tanning and finishing subcategory, unhairing with vegetable and alum tanning and finishing subcategory, finishing of tanned hides subcategory, vegetable or chrome tanning of unhaired hides subcategory, and unhairing with chrome tanning and no finishing subcategory, of the Leather Tanning and Finishing Industry category of point sources.

The purpose of this notice is to establish final effluent limitations guidelines for existing sources and standards of performance and pretreatment standards for new sources in the Leather Tanning and Finishing Industry category of point sources, by amending 40 CFR Chapter I, Subchapter N, to add a new Part 425. This final rulemaking is promulgated pursuant to sections 301, 304 (b) and (c), 306(b) and (c) and 307(c) of the Federal Water Pollution Control Act, as amended, (the Act); 33 U.S.C. 1251, 1311, 1314 (b) and (c), 1316(b) and (c) and 1317(c); 86 Stat. 816 et seq.; Pub. L. 92-500. Regulations regarding cooling water intake structures for all categories of point sources under section 316(b) of the Act will be promulgated in 40 CFR 402.

In addition, EPA is simultaneously proposing a separate provision which appears following this document in Part III of the FEDERAL REGISTER, stating the application of the limitations and standards set forth below to users of publicly owned treatment works which are subject to pretreatment standards under section 307(b) of the Act. The basis of that proposed regulation is set forth in the associated notice of proposed rulemaking.

The legal basis, methodology and factual conclusions which support promulgation of this regulation were set forth in substantial detail in the notice of public review procedures published August 6, 1973 (38 FR 21202) and in the notice of proposed rulemaking for the hair pulp unhairing with chrome tanning and finishing subcategory, hair save unhairing with chrome tanning and finishing subcategory, unhairing with vegetable or alum tanning and finishing subcategory, finishing of tanned hides subcategory, vegetable or chrome tanning of unhaired hides subcategory, and unhairing with chrome tanning and no finishing subcategory. In addition, the regulations as proposed were supported by two other documents: (1) The document entitled "Development Document for proposed Effluent Limitations Guidelines and New Source Performance Standards for the Leather Tanning and Finishing Industry Point Source Category" (November, 1973) and (2) the document entitled "Economic Analysis of Proposed Effluent Guidelines, Leather Tanning and Finishing Industry" (October 1973). Both of these documents were made available to the public and circulated to interested persons at approximately the time of publication of the notice of proposed rulemaking.

Interested persons were invited to participate in the rulemaking by submitting written comments within 30 days from the date of publication. Prior public participation in the form of solicited comments and responses from the States, Federal agencies, and other interested parties were described in the preamble to the proposed regulation. The EPA has considered carefully all of the comments received and a discussion of these comments with the Agency's response thereto follow.

The regulation as promulgated contains important changes from the proposed regulation. The following discussion outlines the reasons why these changes were made and why other suggested changes were not implemented.

(a) *Summary of comments.* The following responded to the request for written comments contained in the preamble to the proposed regulation: Verrill, Dana, Philbrick Putnam, and Williamson, Bell, Galyardt and Wells, State of N.Y. (DEC), Virginia Oak Tannery, Inc., State of Michigan (DNR), A. C. Lawrence Co., Kleinschmidt and Dutting, Armour Leather Co., Canada Packers Limited, Brown Shoe Company, County of Los Angeles, California, Tanners' Council of America, Waste Water Engineers, U.S. Dept. of Interior, and Moench Tanning Co.

Each of the comments received was reviewed and analyzed carefully. The following is a summary of the significant comments and the Agency's response to those comments.

(1) A number of comments reflected concern that the proposed limitations could not be attained with the treatment technology currently available. Furthermore, commenters questioned the applicability of treatment technology transferred from other industries.

The proposed best practicable effluent limitations were based on the performances of exemplary treatment systems transferred from other industries. These systems have consistently achieved high pollutant removal and produced high quality effluents. Much information has been received which indicates that the fibrous proteins and fats along with the tanning chemicals result in a waste water dissimilar to meat packing or other industrial wastes whose treatment technologies are generally believed to be transferrable to the leather tanning and finishing industry. Nevertheless, the Agency considers leather tanning and finishing wastes treatable to exemplary levels because the organic matter and suspended solids contained in the waste water can be removed through conventional primary and biological treatment methods. The Agency also recognizes, however, that the rate of treatment may be lower than other wastes due to the fibrous, insoluble components. Furthermore, the Agency recognizes the problems of technology transfer associated with treatment plant design and operation, and that the optimum performance required with strict effluent limitations along with a lower rate of treatability would require a significant economic expenditure for excess capacity within the treatment system. On the basis of these technical and economic considerations the best practicable effluent limitations have been revised to reflect a more practicable effluent quality.

(2) The comment was made that the cost of best practicable technology and its economic impact was underestimated.

The Agency has reviewed its cost estimates and recognizes the possibility that solid waste handling costs were underestimated. Revised cost estimates have been prepared that forecast some economic impact for most small processors and a few medium sized processors. Thus, an exemption in the form of less stringent BOD5 and TSS limitations is required for these facilities.

(3) Several comments were received that questioned the validity of omitting any variation for seasonality.

Much chemical, biological and engineering information has been supplied by the leather tanning and finishing industry in order to document the variations experienced in the efficiency of their biological systems resulting from temperature changes. Leather tanning consultants have noted the problems experienced with different summer and winter treatment plant designs. The Agency points out that many of the exemplary treatment facilities used as the basis for the limitations are located in Northern climates which experience wide climatic variations, particularly cold weather conditions. Thus, cold weather conditions should and can be recognized in the treatment design; excess capacity can be allowed for winter operation. As stated earlier, the Agency has recognized the problems of the leather industry with regard to the design and operation of transferred technology along with the possible economic impact resulting from this technology. Temperature impacts have been significantly reduced through increases in the proposed limitations along with the variance for small and medium sized tanneries. Therefore, the revised limitations are technically and economically achievable through the application of best practicable control technology without a temperature variance.

(4) The comment was made that biological treatment systems in the leather industry may be designed and operated to provide nitrification in order to meet water quality standards. This may cause a nitrogen interference with the BOD5

tests and result in an artificially high BOD5 even though the plant is actually meeting more stringent limitations.

The Agency recognizes that nitrification may interfere with BOD5 tests when systems are designed and operated to provide nitrogen removal. Accordingly, that portion of BOD5 attributable to the oxidation of Kjeldahl nitrogen should not be included in the total effluent BOD5. The nutrient requirement for the oxidation of organic materials should be included in the BOD5.

(5) One commenter suggested that disinfection requirements were stringent and should be dictated by water quality standards.

Available information shows waste waters in this industry are frequently high in coliform (indicator organism) bacteria. Disinfection is consequently a necessary adjunct to the effluent limits. However, for economic reasons coliform limits have been omitted from 1977 limitations; 1983 limitations for fecal coliforms are readily achievable by chlorination, ozonation or other possible methods for disinfecting water and have been retained. Water quality standards relate only to the possible need to disinfect to a higher degree than required by the effluent limitations in order to protect instream quality.

(6) The comment was made that chrome, nitrogen and oil and grease limitations were unnecessary or too stringent. Large amounts of chrome, nitrogen and oil and grease are frequently associated with leather tanning waste waters. Chrome and oil and grease discharges can be controlled through strict in-plant controls, primary sedimentation and biological treatment. Nitrogen limitations are not required until 1983 when technology should be advanced enough to provide consistent removals. Thus, limitations for chrome and oil and grease can be achieved with best practicable technology and nitrogen limits can be achieved with best available technology.

(7) Concern was expressed that it was misleading to state that there are no exemplary waste treatment plants handling only tannery wastes because there are numerous tannery and combined municipal-tannery treatment systems providing secondary or higher treatment.

The Development Document lists and discusses these plants. Several of these systems will become exemplary systems when both the tannery and treatment system are strictly managed and carefully operated in order to reduce pollutant discharges on a consistent basis. Until strict waste management programs are practiced with the result of high quality effluent there will probably be no exemplary treatment systems in the leather industry.

(8) The comment was made that the guidelines discriminate against users of prefleshed hides.

The limitations do not distinguish prefleshed hides from cured hides because the prefleshed hides contain much less dirt, fat and other pollutants that must otherwise be handled. Thus, the limitations calculated from the weight of prefleshed hides received properly allow less pollutants in the discharge.

(b) *Revision of the proposed regulation prior to promulgation.* As a result of public comments and continuing review and evaluation of the proposed regulations by the EPA, the following changes have been made in the regulation.

(1) The limitations for BOD5 and TSS have been modified in all subcategories to more accurately reflect a practicable effluent quality. Furthermore, an exemption in the form of less stringent BOD5 and TSS limitations is allowed for small and a few medium sized tanners. Total chromium and oil and grease limitations have also been modified in order to be consistent with revised BOD5 and TSS limitations.

(2) Effluent limitations for fecal coliform bacteria have been deleted from the 1977 best practicable limitations and the new source performance standards.

(3) Section 304(b)(1)(B) of the Act provides for "guidelines" to implement the uniform national standards of section 301(b)(1)(A). Thus Congress recognized that some flexibility was necessary in order to take into account the complexity of the industrial world with respect to the practicability of pollution control technology. In conformity with the Congressional intent and in recognition of the possible failure of these regulations to account for all factors bearing on the practicability of control technology it was concluded that some provision was needed to authorize flexibility in the strict application of the limitations contained in the regulation where required by special circumstances applicable to individual dischargers. Accordingly, a provision allowing flexibility in the application of the limitations representing best practicable control technology currently available has been added to each subpart to account for special circumstances that may not have been adequately accounted for when these regulations were developed.

(c) *Economic impact.* The conclusions of the economic impact study of the proposed regulation were significantly affected by revised industry cost estimates. This impact study showed that some medium sized tanners would now be impacted. In order to minimize economic impact on these tanners, they are allowed additional allocations of BOD5 and TSS. This exemption has resulted in economic conclusions similar to those described in the earlier economic impact study.

(d) *Cost-benefit analysis.* The detrimental effects of the constituents of waste waters now discharged by point sources within the Leather Tanning and Finishing Industry Point Source Category are discussed in Section VI of the report entitled "Development Document for Effluent Limitations Guidelines for the Leather Tanning and Finishing Industry Point Source Category" (February 1974). It is not feasible to quantify in economic terms, particularly on a national basis, the costs resulting from the discharge of these pollutants to our Nation's waterways. Nevertheless, as indicated in Section VI, the pollutants discharged have substantial and damaging impacts on the quality of water and therefore on its capacity to support healthy populations of wildlife, fish and other aquatic wildlife and on its suitability for industrial, recreational and drinking water supply uses.

The total cost of implementing the effluent limitations guidelines includes the direct capital and operating costs of the pollution control technology employed to achieve compliance and the indirect economic and environmental costs identified in Section VIII and in the supplementary report entitled "Economic Analysis of Proposed Effluent Guidelines, LEATHER TANNING AND FINISHING INDUSTRY" (October, 1973). Implementing the effluent limitations guidelines will substantially reduce the environmental harm which would otherwise be attributable to the continued discharge of polluted waste waters from existing and newly constructed plants in the leather tanning and finishing industry. The Agency believes that the benefits of thus reducing the pollutants discharged justify the associated costs which, though substantial in absolute terms, represent a relatively small percentage of the total capital investment in the industry.

(e) *Solid waste control.* Solid waste control must be considered. The waterborne wastes from the leather tanning and finishing industry may contain a considerable volume of metals in various forms as a part of the suspended solids pollutant. Best practicable control technology and best available control technology as they are known today, require disposal of the pollutants removed from waste waters in this industry in the form of solid wastes and liquid concentrates. In some cases these are nonhazardous substances requiring only minimal custodial care. However, some constituents may be hazardous and may require special consideration. In order to ensure long term protection of the environment from these hazardous or harmful constituents, special consideration of disposal sites must be made. All landfill sites where such hazardous wastes are disposed should be selected so as to prevent horizontal and vertical migration of these contaminants to ground or surface waters. In cases where geologic conditions may not reasonably ensure this, adequate precautions (e.g., impervious liners) should be taken to ensure long term protection to the environment from hazardous materials. Where appropriate the location of solid hazardous materials disposal sites should be permanently recorded in the appropriate office of the legal jurisdiction in which the site is located.

(f) Publication of information on processes, procedures, or operating methods which result in the elimination or reduction of the discharge of pollutants.

In conformance with the requirements of Section 304(c) of the Act, a manual entitled, "Development Document for Effluent Limitations Guidelines and New Source Performance Standards for the

Leather Tanning and Finishing Point Source Category," has been published and is available for purchase from the Government Printing Office, Washington, D.C. 20402 for a nominal fee.

(g) *Final rulemaking.* In consideration of the foregoing, 40 CFR Chapter I, Subchapter N is hereby amended by adding a new Part 425, Leather Tanning and Finishing Industry Point Source Category, to read as set forth below. This final regulation is promulgated as set forth below and shall be effective June 4, 1974.

Dated: March 29, 1974.

JOHN QUARLES,
Acting Administrator.

Subpart A—Hair Pulp Unhairing With Chrome Tanning and Finishing Subcategory

Sec.

Subpart B—Hair Save Unhairing With Chrome Tanning and Finishing Subcategory

Subpart C—Unhairing With Vegetable or Alum Tanning and Finishing Subcategory

Subpart D—Finishing of Tanned Hides Subcategory

Subpart E—Vegetable or Chrome Tanning of Unhaired Hides Subcategory

Subpart F—Unhairing With Chrome Tanning and No Finishing Subcategory

AUTHORITY: Secs. 301, 304 (b) and (c), 306 (b) and (c) and 307(c) of the Federal Water Pollution Control Act, as amended, (the Act); 33 U.S.C. 1251, 1311, 1314 (b) and (c), 1316 (b) and (c) and 1317(c); 86 Stat. 816 et seq., Pub. L. 92-500.

Subpart A—Hair Pulp Unhairing With Chrome Tanning and Finishing Subcategory

§ 425.10 Applicability; description of the hair pulp unhairing with chrome tanning and finishing subcategory.

The provisions of this subpart are applicable to discharges resulting from the tanneries which either exclusively or in addition to other unhairing and tanning operations, chrome tan and finish cattle hides after hair pulp unhairing. This subcategory includes the following tannery types: (a) One which chrome tans and finishes cattle hides after removing the hair by the hair pulp technique, (b) one which chrome tans and finishes cattles hides after removing the hair by both the hair pulp and hair save techniques (the latter hair removal operations are independent processes within the same tannery), (c) one which both chrome tans and vegetable tans and finishes cattle hides after removing the hair by both the hair save and hair pulp technique, and (d) one which chrome tans sheep skins after removing the wool.

§ 425.11 Specialized definitions.

For the purpose of this subpart:

(a) Except as provided below, the general definitions, abbreviations and methods of analysis set forth in part 401 of this chapter shall apply to this subpart.

(b) The term "hide" shall mean any animal pelt or skin as received by a tannery as raw material to be processed.

(c) The term "skin" shall mean hide.

(d) The term "finish" shall mean the final processing steps performed on a tanned hide including, but not limited to, the following wet processes: retan, bleach, color, and fatliquor.

(e) The term "hair pulp" shall mean the removal of hair by means of chemical dissolution.

(f) The term "hair save" shall mean the physical or mechanical removal of hair which has not been chemically dissolved.

(g) The term "chrome tan" shall mean the process of converting hide into leather using a form of chromium.

(h) The term "vegetable tan" shall mean the process of converting hide into leather using chemicals either derived from vegetable matter or synthesized to produce effects similar to those of chemicals, so derived.

§ 425.12 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

In establishing the limitations set forth in this section, EPA took into account all information it was able to collect, develop and solicit with respect to factors (such as age and size of plant, raw materials, manufacturing processes, products produced, treatment technology available, energy requirements and costs) which can affect the industry subcategorization and effluent levels established. It is, however, possible that data which would affect these limitations have not been available and, as a result, these limitations should be adjusted for certain plants in this industry. An individual discharger or other interested person may submit evidence to the Regional Administrator (or to the State,

if the State has the authority to issue NPDES permits) that factors relating to the equipment or facilities involved, the process applied, or other such factors related to such discharger are fundamentally different from the factors considered in the establishment of the guidelines. On the basis of such evidence or other available information, the Regional Administrator (or the State) will make a written finding that such factors are or are not fundamentally different for that facility compared to those specified in the Development Document. If such fundamentally different factors are found to exist, the Regional Administrator or the State shall establish for the discharger effluent limitations in the NPDES permit either more or less stringent than the limitations established herein, to the extent dictated by such fundamentally different factors. Such limitations must be approved by the Administrator of the Environmental Protection Agency. The Administrator may approve or disapprove such limitations, specify other limitations, or initiate proceedings to revise these regulations.

(a) The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best practicable control technology currently available:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	8.0	4.0
TSS	10.0	5.0
Chrome	0.20	0.10
Oil and grease	1.50	0.75
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	8.0	4.0
TSS	10.0	5.0
Chrome	0.20	0.10
Oil and grease	1.50	0.75
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.13 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best available technology economically achievable.

The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best available technology economically achievable:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	2.8	1.40
TSS	3.0	1.50
Chrome	.1	.05
Oil and grease	1.06	.53
Sulfide	.01	.005
TKN	.54	.27
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	2.8	1.40
TSS	3.0	1.50
Chrome	.1	.05
Oil and grease	1.06	.53
Sulfide	.01	.005
TKN	.54	.27
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	

§ 425.14 [Reserved]

§ 425.15 Standards of performance for new sources.

(a) The following standards of performance establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a new source subject to the provisions of this subpart:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	8.0	4.0
TSS	10.0	5.0
Chrome	.10	.05
Oil and grease	1.06	.53
pH	Within the range 6.0 to 9.0	
	English units (pounds per 1,000 lb of raw materia)	
BOD5	8.0	4.0
TSS	10.0	5.0
Chrome	.20	.10
Oil and grease	1.06	.75
pH	Within the range 6.0 to 9.0	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hide per day.

§ 425.16 Pretreatment standards for new sources.

The pretreatment standards under section 307(c) of the Act for a source within the hair pulp unhairing with chrome tanning and finishing subcategory, which is a user of a publicly owned treatment works (and which would be a new source subject to section 306 of the Act, if it were to discharge pollutants to the navigable waters), shall be the standard set forth in part 128 of this chapter, except that, for the purpose of this section, § 128.133 of this chapter shall be amended to read as follows: "In addition to the prohibitions set forth in § 128.131 of this chapter, the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works shall be the standard of performance for new sources specified in § 425.15: *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in its NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall, except in the case of standards providing for no discharge of pollutants, be correspondingly reduced in stringency for that pollutant."

Subpart B—Hair Save Unhairing With Chrome Tanning and Finishing Subcategory

§ 425.20 Applicability; description of the hair save unhairing with chrome tanning and finishing subcategory.

The provisions of this subpart are applicable to discharges resulting from tanneries which chrome tan and finish cattle hides or deer skin after hair save unhairing. This subcategory includes the following tannery types: (a) One which chrome tans and finishes cattle hides after removing the hair by the hair save technique, and (b) one which chrome tans deer skins after removing the hair by the hair save technique.

§ 425.21 Specialized definitions.

For the purpose of this subpart:

(a) Except as provided below, the general definitions, abbreviations and methods of analysis set forth in Part 401 of this chapter shall apply to this subpart.

(b) The term "hide" shall mean any animal pelt or skin as received by a tannery as raw material to be processed.

(c) The term "skin" shall mean hide.

(d) The term "finish" shall mean the final processing steps performed on a tanned hide including, but not limited to, the following wet processes: retan, bleach, color and fatliquor.

(e) The term "hair save" shall mean the physical or mechanical removal of hair which has not been chemically dissolved.

(f) The term "chrome tan" shall mean the process of converting hide into leather using a form of chromium.

§ 425.22 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

In establishing the limitations set forth in this section, EPA took into account all information it was able to collect, develop and solicit with respect to factors (such as age and size of plant, raw materials, manufacturing processes, products produced, treatment technology available, energy requirements and costs) which can affect the industry subcategorization and effluent level established. It is, however, possible that data which would affect these limita-

tions have not been available and, as a result, these limitations should be adjusted for certain plants in this industry. An individual discharger or other interested person may submit evidence to the Regional Administrator (or to the State, if the State has the authority to issue NPDES permits) that factors relating to the equipment or facilities involved, the process applied, or other such factors related to such discharger are fundamentally different from the factors considered in the establishment of the guidelines. On the basis of such evidence or other available information, the Regional Administrator (or the State) will make a written finding that such factors are or are not fundamentally different for that facility compared to those specified in the Development Document. If such fundamentally different factors are found to exist, the Regional Administrator or the State shall establish for the discharger effluent limitations in the NPDES permit either more or less stringent than the limitations established herein, to the extent dictated by such fundamentally different factors. Such limitations must be approved by the Administrator of the Environmental Protection Agency. The Administrator may approve or disapprove such limitations, specify other limitations, or initiate proceedings to revise these regulations.

(a) The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best practicable control technology currently available:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	9.2	4.6
TSS	11.6	5.8
Chrome	.24	.12
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	9.2	4.6
TSS	11.6	5.8
Chrome	.24	.12
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.23 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best available technology economically achievable.

The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best available technology economically achievable:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	3.2	1.60
TSS	3.6	1.80
Chrome	.12	.06
Oil and grease	1.26	.63
Sulfide	.012	.006
TKN	.64	.32
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	3.2	1.60
TSS	3.6	1.80
Chrome	.12	.06
Oil and grease	1.26	.63
Sulfide	.012	.006
TKN	.64	.32
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	

§ 425.24 [Reserved]

§ 425.25 Standards of performance for new sources.

(a) The following standards of performance establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a new source subject to the provisions of this subpart:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	9.2	4.6
TSS	11.6	5.8
Chrome	.24	.12
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	9.2	4.6
TSS	11.6	5.8
Chrome	.24	.12
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.26 Pretreatment standards for new sources.

The pretreatment standards under section 307(c) of the Act for a source within the hair save unhairing with chrome tanning and finishing subcategory, which is a user of a publicly owned treatment works (and which would be a new source subject to section 306 of the Act, if it were to discharge pollutants to the navigable waters), shall be the standard set forth in Part 128 of this chapter except that, for the purpose of this section, § 128.133 of this chapter shall be amended to read as follows: "In addition to the prohibitions set forth in § 128.131 of this chapter the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works shall be the standard of performance for new sources specified in § 425.25; *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in its NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall, except in the case of standards providing for no discharge of pollutants, be correspondingly reduced in stringency for that pollutant."

Subpart C—Unhairing With Vegetable or Alum Tanning and Finishing Subcategory

§ 425.30 Applicability; description of the unhairing with vegetable or alum tanning and finishing subcategory.

The provisions of this subpart are applicable to discharges resulting from tanneries which vegetable or alum tan and finish cattle hides after hair pulp or hair save unhairing. This subcategory includes the following tannery types: (a) One which vegetable tans cattle hides after removing the hair by either the hair save or hair pulp technique and (b) one which alum tans cattle hides after removing the hair by either the hair save or hair pulp technique.

§ 425.31 Specialized definitions.

For the purpose of this subpart:

(a) Except as provided below, the general definitions, abbreviations and methods of analysis set forth in Part 401 of this chapter shall apply to this subpart.

(b) The term "finish" shall mean the final processing steps performed on a tanned hide including, but not limited to, the following wet processes: retan, bleach, color and fatliquor.

(c) The term "hair pulp" shall mean the removal of hair by means of chemical dissolution.

(d) The term "hair save" shall mean the physical or mechanical removal of hair which has not been chemically dissolved.

(e) The term "vegetable tan" shall mean the process of converting hide into leather using chemicals either derived from vegetable matter or synthesized to produce effects similar to those of chemicals so derived.

(f) The term "alum tan" shall mean the process of converting animal skin into leather using a form of aluminum.

(g) The term "hide" shall mean any animal pelt or skin as received by a tannery as raw material to be processed.

(h) The term "skin" shall mean hide.

§ 425.32 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

In establishing the limitations set forth in this section, EPA took into account all information it was able to collect, develop and solicit with respect to factors (such as age and size of plant, raw materials, manufacturing processes, products produced, treatment technology available, energy requirements and costs) which can affect the industry subcategorization and effluent levels established. It is, however, possible that data which would affect these limitations have not been available and, as a result, these limitations should be adjusted for certain plants in this industry. An individual discharger or other interested person may submit evidence to the Regional Administrator (or to the State, if the State has the authority to issue NPDES permits) that factors relating to the equipment or facilities involved, the process applied, or other such factors related to such discharger are fundamentally different from the factors considered in the establishment of the guidelines. On the basis of such evidence or other available information, the Regional Administrator (or the State) will make a written finding that such factors are or are not fundamentally different for that facility compared to those specified in the Development Document. If such fundamentally different factors are found to exist, the Regional Administrator or the State shall establish for the discharger effluent limitations in the NPDES permit either more or less stringent than the limitations established herein, to the extent dictated by such fundamentally different factors. Such limitations must be approved by the Administrator of the Environmental Protection Agency. The Administrator may approve or disapprove such limitations, specify other limitations, or initiate proceedings to revise these regulations.

(a) The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best practicable control technology currently available:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	7.6	3.8
TSS	9.6	4.8
Chrome	.1	.05
Oil and grease	1.50	.75
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	7.6	3.8
TSS	9.6	4.8
Chrome	.1	.05
Oil and grease	1.50	.75
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.33 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best available technology economically achievable.

The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best available technology economically achievable:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	2.6	1.30
TSS	2.8	1.40
Chrome	.1	.05
Oil and grease	1.0	.50
Sulfide	.01	.005
TKN	.5	.25
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	2.6	1.30
TSS	2.8	1.40
Chrome	.1	.05
Oil and grease	1.0	.50
Sulfide	.01	.005
TKN	.5	.25
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	

§ 425.34 [Reserved]

§ 425.35 Standards of performance for new sources.

(a) The following standards of performance establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a new source subject to the provisions of this subpart:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	7.6	3.8
TSS	9.6	4.8
Chrome	.1	.05
Oil and grease	1.50	.75
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	7.6	3.8
TSS	9.6	4.8
Chrome	.1	.05
Oil and grease	1.50	.75
pH	Within the range 6.0 to 9.0.	

(b) additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.36 Pretreatment standards for new sources.

The pretreatment standards under section 307(c) of the Act for a source within the unhairing with vegetable or alum tanning and finishing subcategory, which is a user of a publicly owned treatment works (and which would be a new source subject to section 306 of the Act, if it were to discharge pollutants to the navigable waters), shall be the standard set forth in Part 128 of this chapter except that, for the purpose of this section, § 128.133 of the chapter shall be amended to read as follows: "In addition to the prohibitions set forth in § 128.131 of this chapter, the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works shall be the standard of performance for new sources specified in § 425.35; *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in its NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall, except in the case of standards providing for no discharge of pollutants, be correspondingly reduced in stringency for that pollutant."

Subpart D—Finishing of Tanned Hides Subcategory

§ 425.40 Applicability; description of the finishing of tanned hides subcategory.

The provisions of this subpart are applicable to discharges resulting from tanneries which finish cattle hides, sheep skins or deer skins that have had the hair removed or wool removed and tanned prior to arrival at the tannery. This section includes the following tannery types: (a) One which finishes previously tanned cattle hides, (b) one which finishes previously tanned sheep skins, (c) one which finishes previously tanned deer skins, and (d) one which finishes previously tanned cattle splits.

§ 425.41 Specialized definitions.

For the purpose of this subpart:

(a) Except as provided below, the general definitions, abbreviations and methods of analysis set forth in Part 401 of this chapter shall apply to this subpart.

(b) The term "finish" shall mean the final processing steps performed on a tanned hide including, but not limited to, the following wet processes: retan, bleach, color and fatliquor.

(c) The term "hide" shall mean any animal pelt or skin as received by a tannery as raw material to be processed.

(d) The term "skin" shall mean hide.

(e) The term "split" shall mean the nongrain part of a hide which results from a cut parallel to its surface.

§ 425.42 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

In establishing the limitations set forth in this section, EPA took into account all information it was able to collect, develop and solicit with respect to factors (such as age and size of plant, raw materials, manufacturing processes, products produced, treatment technology available, energy requirements and costs) which can affect the industry subcategorization and effluent levels established. It is, however, possible that data which would affect these limitations have not been available and, as a result, these limitations should be adjusted for certain plants in this industry. An individual discharger or other interested person may submit evidence to the Regional Administrator (or to the State, if the State has the authority to issue NPDES permits) that factors relating to the equipment or facilities involved, the process applied, or other such factors related to such discharger are fundamentally different from the factors considered in the establishment of the guidelines. On the basis of such evidence or other available information, the Regional Administrator (or the State) will make a written finding that such factors are or are not fundamentally different for that facility compared to those specified in the Development Document. If such fundamentally different factors are found to exist, the Regional Administrator or the State shall establish for the discharger effluent limitations in the NPDES permit either more or less stringent than the limitations established herein, to the extent dictated by such fundamentally different factors. Such limitations must be approved by the Administrator of the Environmental Protection Agency. The Administrator may approve or disapprove such limitations, specify other limitations, or initiate proceedings to revise these regulations.

(a) The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best practicable control technology currently available:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	3.2	1.6
TSS	4.0	2.0
Chrome	.20	.10
Oil and grease	.50	.25
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	3.2	1.6
TSS	4.0	2.0
Chrome	.20	.10
Oil and grease	.50	.25
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.43 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best available technology economically achievable.

The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best available technology economically achievable:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	1.0	0.50
TSS	1.2	.60
Chrome	.04	.02
Oil and grease	.48	.24
Sulfide	.004	.002
TKN	.2	.10
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	1.0	0.50
TSS	1.2	.60
Chrome	.04	.02
Oil and grease	.48	.24
Sulfide	.004	.002
TKN	.2	.10
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	

§ 425.44 [Reserved]

§ 425.45 Standards of performance for new sources.

(a) The following standards of performance establish the quantity or quality of pollutants, or pollutant properties, controlled by this section, which may be discharged by a new source subject to the provisions of this subpart:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	3.2	1.6
TSS	4.0	2.0
Chrome	.20	.10
Oil and grease	.50	.25
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	3.2	1.6
TSS	4.0	2.0
Chrome	.20	.10
Oil and Grease	.50	.25
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.46 Pretreatment standards for new sources.

The pretreatment standards under section 307(c) of the Act for a source within the finishing of tanned hides subcategory, which is a user of a publicly owned treatment works (and which would be a new source subject to section 306 of the Act, if it were to discharge pollutants to the navigable waters), shall be the standard set forth in Part 128 of this chapter, except that, for the purpose of this section, § 128.133 of this chapter shall be amended to read as follows: "In addition to the prohibitions set forth in § 128.131 of this chapter, the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works shall be the standard of performance for new sources specified in § 425.45; *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in is NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall, except in the case of standards providing for no discharge of pollutants, be correspondingly reduced in stringency for that pollutant."

Subpart E—Vegetable or Chrome Tanning of Unhaired Hides Subcategory

§ 425.50 Applicability; description of the vegetable or chrome tanning of unhaired hides subcategory.

The provisions of this subpart are applicable to discharges resulting from tanneries which chrome or vegetable tan and finish cattle hides, sheep skins or pig skins that have the hair or wool retained, or hair or wool removed prior to arrival at the tannery. This section includes the following tannery types: (a) One which chrome tans and finishes cattle splits; (b) one which chrome tans and finishes cattle hides which have had hair previously removed; (c) one which vegetable tans and finishes cattle hides which have had hair previously removed; (d) one which vegetable tans and finishes cattle splits; (e) one which chrome tans and finishes pig skins; (f) one which chrome tans and finishes sheep skins which have had wool previously removed; (g) one which vegetable tans and finishes sheep skins which have had wool previously removed; (h) one which both chrome tans and vegetable tans sheep skins which have had wool previously removed; (i) one which chrome tans and finishes sheep skins with the wool retained; and (j) one which vegetable tans and finishes sheep skins with the wool retained.

§ 425.51 Specialized definitions.

For the purpose of this subpart:

(a) Except as provided below, the general definitions, abbreviations and methods of analysis set forth in Part 401 of this chapter shall apply to this subpart.

(b) The term "hide" shall mean any animal pelt or skin as received by a tannery as raw material to be processed.

(c) The term "skin" shall mean hide.

(d) The term "split" shall mean the nongrain part of a hide which results from a cut parallel to its surface.

(e) The term "finish" shall mean the final processing steps performed on a tanned hide including, but not limited to, the following wet processes: retan, bleach, color and fatliquor.

(f) The term "chrome tan" shall mean the process of converting hides into leather using a form of chromium.

(g) The term "vegetable tan" shall mean the process of converting hide into leather using chemicals either derived from vegetable matter or synthesized to produce effects similar to those of chemicals so derived.

§ 425.52 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

In establishing the limitations set forth in this section, EPA took into account all information it was able to collect, develop and solicit with respect to factors (such as age and size of plant, raw materials, manufacturing processes, products produced, treatment technology available, energy requirements and costs) which can affect the industry subcategorization and effluent levels established. It is, however, possible that data which would affect these limitations have not been available and, as a result, these limitations should be adjusted for certain plants in this industry. An individual discharger or other interested person may submit evidence to the Regional Administrator (or to the State, if the State has the authority to issue NPDES permits) that factors relating to the equipment or facilities involved, the process applied, or other such factors related to such discharger are fundamentally different from the factors considered in the establishment of the guidelines. On the basis of such evidence or other available information, the Regional Administrator (or the State) will make a written finding that such factors are or are not fundamentally different for that facility compared to those specified in the Development Document. If such fundamentally different factors are found to exist, the Regional Administrator or the State shall establish for the discharger effluent limitations in the NPDES permit either more or less stringent than the limitations established herein, to the extent dictated by such fundamentally different factors. Such limitations must be approved by the Administrator of the Environmental Protection Agency. The Administrator may approve or disapprove such limitations, specify other limitations, or initiate proceedings to revise these regulations.

(a) The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best practicable control technology currently available:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	9.6	4.8
TSS	12.0	6.0
Chrome	.12	.06
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	9.6	4.8
TSS	12.0	6.0
Chrome	.12	.06
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.53 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best available technology economically achievable.

The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best available technology economically achievable:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	3.2	1.60
TSS	3.6	1.80
Chrome	.12	.06
Oil and grease	1.26	.63
Sulfide	.012	.006
TKN	.62	.31
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	3.2	1.60
TSS	3.6	1.80
Chrome	.12	.06
Oil and grease	1.26	.63
Sulfide	.012	.006
TKN	.62	.31
Fecal Coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	

§ 425.54 [Reserved]

§ 425.55 Standards of performance for new sources.

(a) The following standards of performance establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a new source subject to the provisions of this subpart:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	9.6	4.8
TSS	12.0	6.0
Chrome	.12	.06
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	9.6	4.8
TSS	12.0	6.0
Chrome	.12	.06
Oil and grease	1.80	.90
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.56 Pretreatment standards for new sources.

The pretreatment standards under section 307(c) of the Act for a source within the vegetable or chrome tanning of unhaired hides subcategory, which is a user of a publicly owned treatment works (and which would be a new source subject to section 306 of the Act, if it were to discharge pollutants to the navigable waters), shall be the standard set forth in Part 128 of this chapter, except that, for the purpose of this section, § 128.133 of this chapter shall be amended to read as follows: "In addition to the prohibitions set forth in § 128.131 of this chapter the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works shall be the standard of performance for new sources specified in § 425.55: *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in its NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall, except in the case of standards providing for no discharge of pollutants, be correspondingly reduced in stringency for that pollutant."

Subpart F—Unhairing With Chrome Tanning and No Finishing Subcategory

§ 425.60 Applicability; description of the unhairing with chrome tanning and no finishing subcategory.

The provisions of this subpart are applicable to discharges resulting from tanneries which chrome tan after either hair pulp or hair save unhairing, but do not finish. This section includes the following tannery types: (a) One which chrome tans but does not finish cattle hides after removing the hair by the hair pulp technique; (b) one which chrome tans but does not finish cattle hides after

removing the hair by the hair save technique; (c) one which removes hair from cattle hides by the hair pulp technique; and (d) one which removes hair from cattle hides by the hair save technique.

§ 425.61 Specialized definitions.

For the purpose of this subpart:

(a) Except as provided below, the general definitions, abbreviations and methods of analysis set forth in Part 401 of this chapter shall apply to this subpart.

(b) The term "hide" shall mean any animal pelt or skin as received by a tannery as raw material to be processed.

(c) The term "skin" shall mean hide.

(d) The term "finish" shall mean the final processing steps performed on a tanned hide including, but not limited to, the following wet processes: retan, bleach, color and fatliquor.

(e) The term "hair pulp" shall mean the removal of hair by means of chemical dissolution.

(f) The term "hair save" shall mean the physical or mechanical removal of hair which has not been chemically dissolved.

(g) The term "chrome tan" shall mean the process of converting hides into leather using a form of chromium.

§ 425.62 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best practicable control technology currently available.

In establishing the limitations set forth in this section, EPA took into account all information it was able to collect, develop and solicit with respect to factors (such as age and size of plant, raw materials, manufacturing processes, products produced, treatment technology available, energy requirements and costs) which can affect the industry subcategorization and effluent levels established. It is, however, possible that data which would affect these limitations have not been available and, as a result, these limitations should be adjusted for certain plants in this industry. An individual discharger or other interested person may submit evidence to the Regional Administrator (or to the State, if the State has the authority to issue NPDES permits) that factors relating to the equipment or facilities involved the process applied, or other such factors related to such discharger are fundamentally different from the factors considered in the establishment of the guidelines. On the basis of such evidence or other available information, the Regional Administrator (or the State) will make a written finding that such factors are or are not fundamentally different for that facility compared to those specified in the Development Document. If such fundamentally different factors are found to exist, the Regional Administrator or the State shall establish for the discharger effluent limitations in the NPDES permit either more or less stringent than the limitations established herein, to the extent dictated by such fundamentally different factors. Such limitations must be approved by the Administrator of the Environmental Protection Agency. The Administrator may approve or disapprove such limitations, specify other limitations, or initiate proceedings to revise these regulations.

(a) The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best practicable control technology currently available:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	5.6	2.8
TSS	6.8	3.4
Chrome	.20	.10
Oil and grease	.70	.35
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	5.6	2.8
TSS	6.8	3.4
Chrome	.20	.10
Oil and grease	.70	.35
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one-half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.63 Effluent limitations guidelines representing the degree of effluent reduction attainable by the application of the best available technology economically achievable.

The following limitations establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a point source subject to the provisions of this subpart after application of the best available technology economically achievable:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	1.4	0.70
TSS	1.6	.80
Chrome	.06	.03
Oil and grease	.68	.34
Sulfide	.006	.003
TKN	.28	.14
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	1.4	0.70
TSS	1.6	.80
Chrome	.06	.03
Oil and grease	.68	.34
Sulfide	.006	.003
TKN	.28	.14
Fecal coliform	Maximum at any time: 400 counts per 100 ml.	
pH	Within the range 6.0 to 9.0.	

§ 425.64 [Reserved]

§ 425.65 Standards of performance for new sources.

(a) The following standards of performance establish the quantity or quality of pollutants or pollutant properties, controlled by this section, which may be discharged by a new source subject to the provisions of this subpart:

Effluent characteristic	Effluent limitations: Maximum for any 1 day	Effluent limitations: Average of daily values for 30 consecutive days shall not exceed—
	Metric units (kilograms per 1,000 kg of raw material)	
BOD5	5.6	2.8
TSS	6.8	3.4
Chrome	.20	.10
Oil and grease	.70	.35
pH	Within the range 6.0 to 9.0.	
	English units (pounds per 1,000 lb of raw material)	
BOD5	5.6	2.8
TSS	6.8	3.4
Chrome	.20	.10
Oil and grease	.70	.35
pH	Within the range 6.0 to 9.0.	

(b) Additional allocations equal to one half the above effluent limitations for BOD5 and TSS established in paragraph (a) of this section are allowed any point source subject to such effluent limitations with a production less than 17,000 kg hides per day.

§ 425.66 Pretreatment standards for new sources.

The pretreatment standards under section 307(c) of the Act for a source within the unhairing with chrome tanning and no finishing subcategory, which is a user of a publicly owned treatment works (and which would be a new source subject to section 306 of the Act, if it were to discharge pollutants to the navigable waters), shall be the standard set forth in Part 128 of this chapter, except that, for the purpose of this section, § 128.133 of this chapter shall be amended to read as follows: "In addition to the prohibitions set forth in § 128.131 of this chapter, the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works shall be the standard of performance for new sources specified in § 425.65: *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in its NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall, except in the case of standards providing for no discharge of pollutants, be correspondingly reduced in stringency for that pollutant."

[FR Doc.74-7891 Filed 4-8-74;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

[40 CFR Part 425]

LEATHER TANNING AND FINISHING POINT SOURCE CATEGORY

Application of Effluent Limitations Guidelines for Existing Sources to Pretreatment Standards for Incompatible Pollutants

Notice is hereby given pursuant to sections 301, 304 and 307(b) of the Federal Water Pollution Control Act, as amended (the Act); 33 U.S.C. 1251, 1311, 1314 and 1317(b); 86 Stat. 816 et seq.; Pub. L. 92-500, that the proposed regulation set forth below concerns the application of effluent limitations guidelines for existing sources to pretreatment standards for incompatible pollutants. The proposal will amend 40 CFR Part 425—Leather Tanning and Finishing Point Source Category, establishing for each subcategory therein the extent of application of effluent limitations guidelines to existing sources which discharge to publicly owned treatment works. The regulation is intended to be complementary to the general regulation for pretreatment standards set forth at 40 CFR Part 128. The general regulation was proposed July 19, 1973 (38 FR 19236), and published in final form on November 8, 1973 (38 FR 30982).

The proposed regulation is also intended to supplement a final regulation being simultaneously promulgated by the Environmental Protection Agency (EPA or Agency) which provides effluent limitations guidelines for existing sources and standards of performance and pretreatment standards for new sources within the hair pulp unhairing with chrome tanning and finishing subcategory, hair save unhairing with chrome tanning and finishing subcategory, unhairing with vegetable and alum tanning and finishing subcategory, finishing of tanned hides subcategory, vegetable or chrome tanning of unhaired hides subcategory, and unhairing with chrome tanning and no finishing subcategory of the leather tanning and finishing industry point source category. The latter regulation applies to the portion of a discharge which is directed to the navigable waters. The regulation proposed below applies to users of publicly owned treatment works which fall within the description of the point source category to which the guidelines and standards (40 CFR 425) promulgated simultaneously apply. However, the proposed regulation applies to the introduction of incompatible pollutants which are directed into a publicly owned treatment works, rather than to discharges of pollutants to navigable waters.

The general pretreatment standard divides pollutants discharged by users of publicly owned treatment works into two broad categories: "compatible" and "incompatible." Compatible pollutants are generally not subject to pretreatment standards. (See 40 CFR 128.110 (State or local law) and 40 CFR 128.131 (Prohibited wastes) for requirements which may be applicable to compatible pollutants). Incompatible pollutants are subject to pretreatment standards as provided in 40 CFR 128.133, which provides as follows:

"In addition to the prohibitions set forth in § 128.131, the pretreatment standard for incompatible pollutants introduced into a publicly owned treatment works by a major contributing industry not subject to section 307(c) of the Act shall be, for sources within the corresponding industrial or commercial category, that established by a promulgated effluent limitations guidelines defining best practicable control technology currently available pursuant to sections 301(b) and 304(b) of the Act: *Provided*, That, if the publicly owned treatment works which receives the pollutants is committed, in its NPDES permit, to remove a specified percentage of any incompatible pollutant, the pretreatment standard applicable to users of such treatment works shall be correspondingly reduced for that pollutant. *And provided further*, That when the effluent limitations guidelines for each industry is promulgated, a separate provision will be proposed concerning the application of such guilelines to pretreatment."

The regulation proposed below is intended to implement that portion of § 128.133, above, requiring that a separate provision be made stating the application to pretreatment standards of effluent limitations guidelines based upon best practicable control technology currently available.

Questions were raised during the public comment period on the proposed general pretreatment standard (40 CFR Part 128) about the propriety of applying a standard based upon best practicable control technology currently available to all plants subject to pretreatment standards. In general, EPA believes the analysis supporting the effluent limitations guidelines is adequate to reach a determination regarding the application of those standards to users of publicly owned treatment works. However, to ensure that those standards are appropriate in all cases, EPA now seeks additional comments focusing upon the application of effluent limitations guidelines to users of publicly owned treatment works.

Sections 425.15, 425.25, 425.35, 425.45, 425.55 and 425.65 of the proposed regulation for point sources within the hair pulp unhairing with chrome tanning and finishing subcategory, hair save unhairing with chrome tanning and finishing subcategory, unhairing with vegetable and alum tanning and finishing subcategory, finishing of tanned hides subcategory, vegetable or chrome tanning of unhaired hides subcategory, and unhairing with chrome tanning and no finishing subcategory, of the leather tanning and finishing industry point sources category (December 7, 1973, 38 FR 33860) contained the proposed pretreatment standard for new sources. The regulation promulgated simultaneously herewith contains §§ 425.16, 425.26, 425.36, 425.46, 425.56 and 425.66 which states the applicability of standards of performance for purposes of pretreatment standard for new sources.

A preliminary Development Document was made available to the public at approximately the time of publication of the notice of proposed rulemaking and the final Development Document entitled "Development Document for Effluent Limitations Guidelines and New Source Performance Standards for the Leather Tanning and Finishing Point Source Category" is now being published. The economic analysis report entitled "Economic Analysis of Proposed Effluent Guidelines, Leather Tanning and Finishing Industry". (October, 1973) was made available at the time of proposal. Copies of the preliminary Development Document and economic analysis report will continue to be maintained for inspection and copying during the comment period at the EPA Information Center, Room 227, West Tower, Waterside Mall, 401 M Street, SW., Washington, D.C. Copies will also be available for inspection at EPA regional offices and at State water pollution control agency offices. Copies of the Development Document may be purchased from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20460. Copies of the economic analysis report will be available for purchase through the National Technical Information Service, Springfield, Virginia 22151.

On June 14, 1973, the Agency published procedures designed to insure that, when certain major standards, regulations, and guidelines are proposed, an explanation of their basis, purpose and environmental effects is made available to the public (38 FR 15653). The procedures are applicable to major standards, regulations and guidelines which are proposed on or after December 31, 1973, and which either prescribe national standards of environmental quality or require national emission, effluent or performance standards or limitations.

The Agency determined to implement these procedures in order to insure that the public was provided with background information to assist it in commenting on the merits of a proposed action. In brief, the procedures call for the Agency to make public the information available to it delineating the major environmental effects of a proposed action, to discuss the pertinent nonenvironmental factors affecting the decision, and to explain the viable options available to it and the reasons for the option selected.

The procedures contemplate publication of this information in the FEDERAL REGISTER, where this is practicable. They provide, however, that where such publication is impracticable because of the length of these materials, the material may be made available in an alternate format.

The Development Document referred to above contains information available

to the Agency concerning the major environmental effects of the regulation proposed below. The information includes: (1) The identification of pollutants present in waste waters resulting from leather tanning and finishing, the characteristics of these pollutants, and the degree of pollutant reduction obtainable through implementation of the proposed standard; and (2) the anticipated effects on other aspects of the environment (including air, and solid waste disposal and land use, and noise) of the treatment technologies available to meet the standard proposed.

The Development Document and the economic analysis report referred to above also contain information available to the Agency regarding the estimated cost and energy consumption implications of those treatment technologies and the potential effects of those costs on the price and production of leather products. The two reports exceed, in the aggregate, 100 pages in length and contain a substantial number of charts, diagrams and tables. It is clearly impracticable to publish the material contained in these documents in the FEDERAL REGISTER. To the extent possible, significant aspects of the material have been presented in summary form in the preamble to the proposed regulation containing effluent limitations guidelines, new source performance standards and pretreatment standards for new sources within the leather tanning and finishing category (38 FR 33860; December 7, 1973). Additional discussion is contained in the analysis of public comments on the proposed regulation and the Agency's response to those comments. This discussion appears in the preamble to the promulgated regulation (40 CFR Part 425) which currently is being published in the Rules and Regulations section of Part III immediately preceding this document in the FEDERAL REGISTER.

The options available to the Agency in establishing the level of pollutant reduction obtainable through the best practicable control technology currently available, and the reasons for the particular level of reduction selected are discussed in the documents described above. In applying the effluent limitations guidelines to pretreatment standards for the introduction of incompatible pollutants into municipal systems by existing sources in the hair pulp unhairing with chrome tanning and finishing subcategory, hair save unhairing with chrome tanning and finishing subcategory, unhairing with vegetable or alum tanning and finishing subcategory, finishing of tanned hides subcategory, vegetables or chrome tanning of unhaired hides subcategory, unhairing with chrome tanning and no finishing subcategory, the Agency has, essentially, three options. The first is to declare that the guidelines do not apply. The second is to apply the guidelines unchanged. The third is to modify the guidelines to reflect: (1) Differences between direct dischargers and plants utilizing municipal systems which affect the practicability of the latter employing the technology available to achieve the effluent limitations guidelines; or (2) characteristics of the relevant pollutants which require higher levels of reduction (or permit less stringent levels) in order to insure that the pollutants do not interfere with the treatment works or pass through them untreated.

As described in the Development Document, the process waste waters from all subcategories of the leather tanning industry are similar in pollutant contents. The pollutants are organic materials, solids, chromium, sulfide and oil and grease. These waste water pollutants, except chromium and oil and grease, are considered to be compatible and the guidelines should not apply. While potential problems could occur from discharges of large quantities of sulfide from the unhairing process, adequate control methods are available to keep significant quantities of these materials out of the waste water.

Chromium and oil and grease are waste water pollutants which would interfere with the operation of publicly owned treatment works, pass through such works untreated or inadequately treated or otherwise be incompatible with such treatment works. The information available to the agency does not indicate differences between plants which discharge directly to navigable waters and those which utilize municipal systems significant enough to warrant varying the effluent limitations. Accordingly, it is the opinion of the EPA that chromium and oil and grease should be treated to the level required by the application of the best practicable control technology currently available.

Interested persons may participate in this rulemaking by submitting written comments in triplicate to the EPA Information Center, Environmental Protection Agency, Washington, D.C. 20460, Attention: Mr. Philip B. Wisman. Comments on all aspects of the proposed regulations are solicited. In the event comments are in the nature of criticisms as to the adequacy of data which is available, or which may be relied upon by the Agency, comments should identify and, if possible, provide any additional data which may be available and should indicate why such data is essential to the development of the regulations. In the event comments address the approach taken by the Agency in establishing pretreatment standards for existing sources, EPA solicits suggestions as to what alternative approach should be taken and why and how this alternative better satisfies the detailed requirements of sections 301, 304 and 307(b) of the Act.

A copy of all public comments will be available for inspection and copying at the EPA Information Center, Room 227, West Tower, Waterside Mall, 401 M Street, SW., Washington, D.C. 20460. The EPA information regulation, 40 CFR Part 2, provides that a reasonable fee may be charged for copying.

In consideration of the foregoing, it is hereby proposed that 40 CFR Part 425 be amended to add §§ 425.14, 425.24, 425.34, 425.44, 425.54, and 425.64, as set forth below. All comments received on or before May 9, 1974, will be considered.

Dated: March 29, 1974.

JOHN QUARLES,
Acting Administrator.

Part 425 is proposed to be amended as follows:

Subpart A is amended by adding § 425.14 as follows:

§ 425.14 Pretreatment standards for existing sources.

For the purpose of pretreatment standards for incompatible pollutants established under § 128.133 of this chapter, the effluent limitations guidelines except for the pollutants chromium and oil and grease set forth in § 425.12 shall not apply and, subject to the provisions of Part 128 of this chapter concerning pretreatment, process waste water from this subcategory may be introduced into a publicly owned treatment works. The effluent limitations guidelines for chromium and oil and grease set forth in § 425.12 shall apply.

Subpart B is amended by adding § 425.24 as follows:

§ 425.24 Pretreatment standards for existing sources.

For the purpose of pretreatment standards for incompatible pollutants established under § 128.133 of this chapter, the effluent limitations guidelines except for the pollutants chromium and oil and grease set forth in § 425.22 shall not apply and, subject to the provisions of Part 128 of this section concerning pretreatment, process waste water from this subcategory may be introduced into a publicly owned treatment works. The effluent limitations guidelines for chromium and oil and grease set forth in § 425.22 shall apply.

Subpart C is amended by adding § 425.34 as follows:

§ 425.34 Pretreatment standards for existing sources.

For the purpose of pretreatment standards for incompatible pollutants established under § 128.133 of this chapter, the effluent limitations guidelines except for the pollutants chromium and oil and grease set forth in § 425.32 shall not apply and, subject to the provisions of Part 128 of this section concerning pretreatment, process waste water from this subcategory may be introduced into a publicly owned treatment works. The effluent limitations guidelines for chromium and oil and grease set forth in § 425.32 shall apply.

Subpart D is amended by adding § 425.44 as follows:

§ 425.44 Pretreatment standards for existing sources.

For the purpose of pretreatment standards for incompatible pollutants established under §128.133 of this chapter, the

effluent limitations guidelines except for the pollutants chromium and oil and grease set forth in § 425.42 shall not apply and, subject to the provisions of Part 128 of this chapter concerning pretreatment, process waste water from this subcategory may be introduced into a publicly owned treatment works. The effluent limitations guidelines for chromium and oil and grease set forth in § 425.42 shall apply.

Subpart E is amended by adding § 425.54 as follows:

§ 425.54 Pretreatment standards for existing sources.

For the purpose of pretreatment standards for incompatible pollutants established under §128.133 of this chapter, the effluent limitations guidelines except for the pollutants chromium and oil and grease set forth in § 425.52 shall not apply and, subject to the provisions of Part 128 of this chapter concerning pretreatment, process waste water from this subcategory may be introduced into a publicly owned treatment works. The effluent limitations guidelines for chromium and oil and grease set forth in § 425.52 shall apply.

Subpart F is amended by adding § 425.64 as follows:

§ 425.64 Pretreatment standards for existing sources.

For the purpose of pretreatment standards for incompatible pollutants established under §128.133 of this chapter, the effluent limitations guidelines except for the pollutants chromium and oil and grease set forth in § 425.62 shall not apply and, subject to the provisions of Part 128 of this chapter concerning pretreatment, process waste water from this subcategory may be introduced into a publicly owned treatment works. The effluent limitations guidelines for chromium and oil and grease set forth in § 425.62 shall apply.

[FR Doc.74-7892 Filed 4-8-74;8:45 am]