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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 9—Animals and Animal Products

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

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS (INCLUDING POULTRY) AND ANIMAL PRODUCTS; EXTRAORDINARY EMERGENCY REGULATION OF INTRASTATE ACTIVITIES

PART 73—SCABIES IN CATTLE

Release of Area Quarantined

This amendment releases Lamb County in Texas from the areas quarantined because of cattle scabies. Therefore, the restrictions pertaining to the interstate movement of cattle from quarantined areas contained in 9 CRF Part 73, as amended, will not apply to the excluded area, but the restrictions pertaining to the interstate movement of cattle from nonquarantined areas contained in said Part 73 will apply to the excluded area.

Accordingly, Part 73, Title 9, Code of Federal Regulations, as amended, restricting the interstate movement of cattle because of scabies is hereby amended as follows:

In § 73.1a, in paragraph (a) relating to the State of Texas, paragraph (2) relating to Lamb County is deleted.

(Secs. 4–7, 23 Stat. 32, as amended; secs. 1 and 2, 32 Stat. 791–792, as amended; secs. 1–4, 33 Stat. 1264, 1265, as amended; secs. 3 and 11, 76 Stat. 130, (132; 21 U.S.C. 111–113, 115, 117, 120, 121, 123–126, 134b, 134f); 37 FR 28464, 28477; 38 FR 19141.)

Effective date. The foregoing amendment shall become effective on April 8, 1974.

The amendment relieves restrictions no longer deemed necessary to prevent the spread of cattle scabies and should be made effective promptly in order to be of maximum benefit to affected persons. It does not appear that public participation in this rulemaking proceeding would make additional relevant information available to the Department.

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

Done at Washington, D.C., this 8th day of April 1974.

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

[FR Doc.74-8353 Filed 4-10-74;8:45 am]

SUBCHAPTER D—EXPORTATION AND IMPORTATION OF ANIMALS (INCLUDING POULTRY) AND ANIMAL PRODUCTS

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE) NEWCASTLE DISEASE (AVIAN PNEUMOENCEPHALITIS), AFRICAN SWINE FEVER, AND HOG CHOLERA; PROHIBITED AND RESTRICTED IMPORTATIONS

Criteria for Determining the Separate Status of a Territory or Possession as to Rinderpest and Foot-and-Mouth Disease

On May 17, 1973, there was published in the FEDERAL REGISTER (38 FR 12926), a notice that the Animal and Plant Health Inspection Service was considering whether or not changes in the regulations contained in 9 CFR Part 94 designating areas as being infected with rinderpest or foot-and-mouth disease were needed. Also, the Department wished to review the present criteria for determining if an area which is a territory or possession of a mother country in which rinderpest or foot-and-mouth disease has been determined to exist, but which is geographically removed from that country, can be deemed a separate country for the purposes of the applicable statutory provisions.

Section 306(a) of the act of June 17, 1930, as amended (19 U.S.C. 1306(a)), among other things, prohibits the importation of domestic ruminants or swine, and fresh, chilled, or frozen meat thereof, from any country where foot-and-mouth disease or rinderpest has been determined to exist.

Among comments received, 15 livestock organizations and 6 State regulatory agencies opposed changes in the present regulations or criteria, and 7 livestock or related organizations were in favor of changes therein. Among comments received, no technical or scientific evidence was presented which would justify the use of less restrictive regulations or criteria than those now in effect.

After consideration of all comments received, and all other relevant information, it has been decided that changes in the regulation, 9 CFR 94.1(a), or in the criteria used by the Secretary at present to determine whether a territory or possession is separate from the mother country, in which rinderpest or foot-and-mouth disease has been determined to exist, for purposes of determining freedom of rinderpest or foot-and-mouth disease, are not warranted, but that the criteria should be published in the FEDERAL REGISTER as a new § 94.1a.

Accordingly, a new § 94.1a which sets forth the criteria now in effect is added to Part 94, 9 CFR to read:

§ 94.1a Criteria for determining the separate status of a territory or possession as to rinderpest and foot-and-mouth disease.

(a) The Secretary of Agriculture will make a determination as to whether a territory or possession may be deemed separate from the mother country, in which rinderpest or foot-and-mouth disease has been determined to exist, for the purposes of section 306(a) of the act of June 17, 1930, as amended (19 U.S.C. 1306(a)), only if:

(1) The official authority of that territory or possession, having responsibility for animal health matters, has declared such territory or possession free of rinderpest and foot-and-mouth disease;

(2) The territory or possession is geographically separate from the mother country and has full autonomy from the mother country in all animal health matters, including import and export;

(3) The territory or possession has a veterinary service which is capable of speedily detecting rinderpest or foot-and-mouth disease and which is comprised of veterinarians who:

(i) are employed as officials of the government of the territory or possession,

(ii) are graduates of a recognized school of veterinary medicine, and

(iii) are assigned in sufficient numbers and are so distributed, with respect to the livestock population, to be able to promptly recognize the existence of rinderpest and foot-and-mouth disease;

(4) A laboratory capable of diagnosing rinderpest and foot-and-mouth disease is available to the veterinary service of the territory or possession;

(5) Vaccinations for foot-and-mouth disease or rinderpest are not permitted in the territory or possession;

(6) The reporting of rinderpest or foot-and-mouth disease to the veterinary authorities of the territory or possession is required by anyone who has notice of the existence of these diseases;

(7) Laws and regulations are in effect and are administered in such manner as to insure against the introduction of foot-and-mouth disease or rinderpest through the importation of animals, meat, and animal products from countries, including the mother country, declared by the United States Secretary of Agriculture to be countries where foot-and-mouth disease or rinderpest exist;

(8) Animals introduced into the territory or possession from rinderpest or foot-and-mouth disease infected countries, including the mother country, are imported through a quarantine station and under conditions acceptable to the Secretary of Agriculture of the United

States, and such conditions include, but are not restricted to:

(i) Tests deemed necessary for the detection of rinderpest and foot-and-mouth disease,

(ii) quarantine deemed necessary for the detection of rinderpest and foot-and-mouth disease, and

(iii) opportunity for observation by a United States Department of Agriculture veterinarian during all phases of the import procedures;

(b) An on-site inspection by a veterinary representative of the United States Department of Agriculture to determine whether the criteria in this section are met shall be made of the territory or possession before any final determination is made as to its status.

(Sec. 306, 46 Stat. 689, as amended; (19 U.S.C. 1306); 37 FR 28464, 28477; 38 FR 19141.)

Effective date. The foregoing amendment shall become effective April 11, 1974.

Inasmuch as this amendment is a clarification of policy and publication of criteria now in effect, the amendment should become effective less than 30 days after publication in the FEDERAL REGISTER. It does not appear that further public participation in rulemaking proceedings concerning the amendment would make additional relevant information available to the Department.

Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that further notice and other public procedure with respect to the amendment are impracticable and unnecessary 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 8th day of April 1974.

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

[FR Doc.74-8355 Filed 4-10-74;8:45 am]

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), NEWCASTLE DISEASE (AVIAN PNEUMOENCEPHALITIS), AFRICAN SWINE FEVER, AND HOG CHOLERA; PROHIBITED AND RESTRICTED IMPORTATIONS

Change in Disease Status of Rumania

Statement of considerations. The purpose of this amendment is to add Rumania to the list of countries in § 94.12 (a) which are listed as free of swine vesicular disease. This action will provide for the importation of certain cured and dried pork and pork products into the United States from Rumania without complying with § 94.12(b), but subject to other applicable provisions of this Part and Part 92.

Accordingly, Part 94, Title 9, Code of Federal Regulations, is hereby amended as follows:

Section 94.12(a) is amended by adding thereto the name of the country Rumania after the reference to "Luxembourg" and before the reference to the "Trust Territories of the Pacific Islands".

(Sec. 2, 32 Stat. 792, as amended; secs. 2, 3, 4, and 11, 76 Stat. 129, 130, 132; (21 U.S.C. 111, 134a, 134b, 134c, 134f; 37 FR 28464, 28477; 38 FR 19141.)

Effective date. The foregoing amendment shall become effective April 8, 1974.

The amendment relieves certain restrictions presently imposed but no longer deemed necessary to prevent the introduction and dissemination of the contagion of swine vesicular disease, and must be made effective immediately to be of maximum benefit to affected persons. It does not appear that public participation in this rule making proceeding would make additional relevant information available to the Department.

Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and unnecessary, 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 8th day of April, 1974.

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

[FR Doc.74-8354 Filed 4-10-74;8:45 am]

Title 12—Banks and Banking

CHAPTER II—FEDERAL RESERVE SYSTEM

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

Acquisitions and Mergers

The Reserve Banks presently have delegated authority to approve one-bank holding company formations, bank holding company formations involving more than one bank, bank acquisitions by existing bank holding companies, and bank mergers under certain standards.[1] The Board has decided to expand this authority by modifying certain of the standards within which this authority may be exercised and by delegating to the reserve banks authority to approve certain mergers and consolidations of bank holding companies. In expanding such authority, the Board has also added a section concerning so-called covenants not to compete. Applications falling outside the standards set forth herein will be forwarded to the Board for further consideration.

In order to accomplish this delegation, §§ 265.2(f) (22), (24) and (28) are amended and paragraph (f)(30) is added to read as follows:

§ 265.2 Specific functions delegated to Board employees and Federal Reserve Banks.

* * * * *

(f) Each Federal Reserve Bank is authorized, as to member banks or other indicated organizations headquartered in its district, or under paragraph (25) of this section as to its officers:

* * * * *

(22) Under the provisions of section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842) to approve the formation of a bank holding company through the acquisition by a company of a controlling interest in the voting shares of one or more banks, if all of the following conditions are met:

(i) no member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) all relevant departments of the Reserve Bank recommended approval.

(iii) no substantive objection to the proposal has been made by a bank supervisory authority, the United States Department of Justice, or a member of the public.

(iv) no significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(v) considerations relating to the convenience and needs of the communities to be served are consistent with or lend weight toward approval of the application.

(vi) in the event any debt is incurred by the holding company to purchase shares of any bank involved in the proposal:

(*a*) an agreed plan for amortization of the debt within a reasonable time exists, such period normally not exceeding 12 years.

(*b*) the interest rate on any loan to purchase the bank shares will be comparable with other stock collateral loans by the lender to persons of comparable credit standing.

(*c*) no compensating balances, specifically attributable to the loan, will be deposited in the lending institution and the amount of any correspondent account which the proposed subsidiary bank will maintain with the lending institution should not exceed the amount necessary to compensate the lending bank for correspondent services rendered by it to the proposed subsidiary bank(s).

(vii) the Reserve Bank determines that the managerial and financial resources, including the equity to debt relationships, of applicant, it's existing subsidiaries, and any proposed subsidiary bank, are adequate, or will be adequate within a reasonable period of time after

[1] By order of October 12, 1973, the Board announced an amendment to its rules regarding the authority of Reserve Banks to approve certain applications by bank holding companies to acquire additional banks. That amendment eliminated from the criteria that Reserve Banks consider in processing such applications the requirement that an equal offer be made to all shareholders of the bank to be acquired.

consummation of the proposal, and any debt service requirements to which the holding company may be subject are such as to enable it to maintain the capital adequacy of any proposed subsidiary bank in the foreseeable future.

(viii) if Applicant or any of Applicant's existing or proposed nonbanking subsidiaries compete in the same geographic and product market as any proposed subsidiary bank, the resulting organization will control no more than 10 percent of that product or service line after consummation of the proposal.

(ix) total nonbank gross revenues of Applicant and its subsidiaries do not exceed 20 percent of total operating income of the proposed banking subsidiaries.

(x) if Applicant engages, or is to engage, in nonbanking activities requiring the Board's approval under section 4(c)(8) of the Act, the Reserve Bank must also have delegated authority to approve the section 4(c)(8) activities.

(xi) if the proposal involves the acquisition of the controlling stock of only one bank, and any debt is incurred by the holding company to purchase shares of the bank, the amount of the loan does not exceed 75 percent of the purchase price of the shares of the proposed subsidiary bank.

(xii) if the proposal involves the acquisition of the controlling stock of more than one bank, the following additional conditions must be met:

(a) in the event any debt is incurred by the holding company to purchase shares of any proposed subsidiary bank(s), the total amount of the debt does not exceed 20 percent of the equity capital accounts of the holding company.

(b) the Applicant will control no more than 15 percent of the total deposits in commercial banks in the State.

(xiii) neither Applicant nor the bank(s) to be acquired has entered into or proposes to enter into any agreement with any director, officer, employee or shareholder of the bank(s) that contains any condition that limits or restricts in any manner the right of such persons to compete with Applicant or any of Applicant's existing or proposed subsidiaries.

* * * * *

(24) Under the provisions of section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842), to approve the acquisition by a bank holding company of a controlling interest in the voting shares of an additional bank, if all of the following conditions are met:

(i) no member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) all relevant departments of the Reserve Bank recommended approval.

(iii) no substantive objection to the proposal has been made by a bank supervisory authority, the United States Department of Justice, or a member of the public.

(iv) no significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(v) considerations relating to the convenience and needs of the communities to be served are consistent with or lend weight toward approval of the application.

(vi) in the event any debt is incurred by the holding company to purchase shares of any bank involved in the proposal:

(a) an agreed plan for amortization of the debt within a reasonable time exists, such period normally not exceeding 12 years.

(b) the interest rate on any loan to purchase the bank shares will be comparable with other stock collateral loans by the lender to persons of comparable credit standing.

(c) no compensating balances, specifically attributable to the loan, will be deposited in the lending institution and the amount of any correspondent account which the proposed subsidiary bank will maintain with the lending institution should not exceed the amount necessary to compensate the lending bank for correspondent services rendered by it to the proposed subsidiary bank.

(vii) the Reserve Bank determines that the managerial and financial resources, including the equity to debt relationships, of Applicant, its existing subsidiaries, and any proposed subsidiary bank, are adequate, or will be adequate within a reasonable period of time after consummation of the proposal, and any debt service requirements to which the holding company may be subject are such as to enable it to maintain the capital adequacy of any existing or proposed subsidiary bank in the foreseeable future.

(viii) if Applicant or any of Applicant's existing or proposed nonbanking subsidiaries compete in the same geographic and product market as any proposed subsidiary, the resulting organization will not control more than 10 percent of that product or service line after consummation of the proposal.

(ix) total nonbank gross revenues of Applicant and its subsidiaries do not exceed 20 percent of total operating income of the company's existing or proposed bank subsidiaries.

(x) if Applicant engages, or is to engage, in nonbanking activities requiring the Board's approval under section 4(c)(8) of the Act, the Reserve Bank must also have delegated authority to approve the section 4(c)(8) activities.

(xi) in the event any debt is incurred by Applicant to purchase shares of the bank, the resulting total acquisition debt of the holding company will not exceed 20 percent of the company's equity capital accounts after consummation of the proposal.

(xii) Applicant is not one of the dominant banking organizations in the State, and, unless the proposed subsidiary is a proposed new bank, Applicant will control no more than 15 percent of the total deposits in commercial banks in the State after consummation of the proposal.

(xiii) if the bank to be acquired is an existing bank and if no banking offices of Applicant's existing subsidiary bank are located in the same market as the proposed subsidiary, the proposed subsidiary has no more than $25 million in total deposits or controls no more than 15 percent of deposits in commercial banks in the market.

(xiv) if the bank to be acquired is an existing bank and if any of Applicant's existing subsidiary banks compete in the same market as the proposed subsidiary, Applicant will control no more than 10 percent of total deposits in commercial banks in the market after consummation.

(xv) if the bank to be acquired is a proposed new bank, bank subsidiaries of Applicant will not hold in the aggregate more than 20 percent of the total deposits in commercial banks in the relevant market area and Applicant will not be one of the dominant banking organizations in the State.

(xvi) Applicant has a proven record of furnishing to its subsidiaries, when needed, special services, management, capital funds and general guidance.

(xvii) neither Applicant nor the bank to be acquired has entered into or proposes to enter into any agreement with any director, officer, employee or shareholder of the bank that contains any condition that limits or restricts in any manner the right of such persons to compete with Applicant or any of Applicant's existing or proposed subsidiaries.

* * * * *

(28) Under the provisions of section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), to approve a merger, consolidation, acquisition of assets or assumption of liabilities, where the resulting bank is a State member bank, if all of the following conditions are met:

(i) no member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) all relevant departments of the Reserve Bank recommended approval.

(iii) no substantive objection to the proposal has been made by a bank supervisory authority, the United States Department of Justice, or a member of the public.

(iv) no significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(v) if the banks do not have offices in the same market, the bank to be acquired has no more than $25 million in total deposits or controls no more than 15 percent of the total deposits[2] in commercial banks in the market.

(vi) if the banks compete in the same banking market, the resulting bank will control no more than 10 percent of total

[2] If either of the proponent banks is a subsidiary of a holding company and the parent company has another bank subsidiary operating in the market of the bank to be acquired, deposits of such offices should be included in the computation of market shares.

deposits[3] in commercial banks in the market.

(vii) neither of the merging or consolidating banks is a dominant banking organization in the State and the resulting institution will control no more than 15 percent of the total deposits in commercial banks in the State after consummation of the proposal.[4]

(viii) the Reserve Bank determines that the managerial and financial resources, including the equity capital accounts of the resulting bank, are adequate, or will be adequate within a reasonable period of time after the proposal is consummated.

(ix) considerations relating to the convenience and needs of the communities to be served are consistent with, or lend weight toward, approval of the application.

(x) no bank involved in this proposal has entered into or proposes to enter into any agreement with any director, officer, employee or shareholder of either bank that contains any condition that limits or restricts in any manner the right of such persons to compete with the resulting institution.

* * * * *

(30) Under the provisions of section 3(a)(5) of the Bank Holding Company Act (12 U.S.C. 1842), to approve the merger or consolidation of a bank holding company with any other bank holding company, if all of the following conditions are met:

(i) no member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) all relevant departments of the Reserve Bank recommended approval.

(iii) no substantive objection to the proposal has been made by a bank supervisory authority, the United States Department of Justice, or a member of the public.

(iv) no significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(v) considerations relating to the convenience and needs of the communities to be served are consistent with or lend weight toward approval of the application.

(vi) in the event any debt is incurred by the resulting or surviving holding company to effect the merger or consolidation:

(*a*) an agreed plan for amortization of the debt within a reasonable time exists, such period normally not exceeding 12 years.

(*b*) the interest rate on any loan involved will be comparable with other stock collateral loans by the lender to borrowers of comparable credit standing.

(*c*) no compensating balances, specifically attributable to the loan, will be deposited in the lending institution and the amount of any correspondent account which the subsidiary banks of the resulting or surviving company will maintain with the lending institution should not exceed the amount necessary to compensate the lending bank for correspondent services rendered by it to the depositing bank(s).

(*d*) the total acquisition debt of the resulting or surviving company will not exceed 20 percent of such company's equity capital accounts after consummation of the proposal.

(vii) the Reserve Bank determines that the managerial and financial resources, including the equity to debt relationships, of the merging or consolidating companies, and their existing subsidiaries, are adequate, or will be adequate within a reasonable period of time after consummation of the proposal, and any debt service requirements to which the resulting or surviving company may be subject are such as to enable it to maintain the capital adequacy of any existing or proposed subsidiary bank in the foreseeable future.

(viii) if either of the merging or consolidating companies or any of their subsidiaries compete in the same geographic and product market as the other merging or consolidating company or any of its subsidiaries, the resulting or surviving organization will not control more than 10 percent of that product or service line after consummation of the proposal.

(ix) if the merging or consolidating bank holding companies do not have subsidiary banking offices in the same market, the resulting or surviving bank holding company will not acquire a subsidiary bank with more than $25 million in deposits or with more than 15 percent of the total deposits in commercial banks in the market.

(x) if any subsidiary bank(s) of either of the merging or consolidating companies competes in the same market as any subsidiary bank(s) of the other merging or consolidating company, the resulting or surviving company will control no more than 10 percent of total deposits in commercial banks in the market after consummation of the proposal.

(xi) neither merging or consolidating company is one of the dominant banking organizations in the State, and the resulting or surviving company will control no more than 15 percent of total deposits in commercial banks in the State after consummation of the proposal.

(xii) total nonbank gross revenues of the merging of consolidating companies and their subsidiaries do not exceed 20 percent of the total operating income of the merging or consolidating companies' bank subsidiaries.

(xiii) if either of the merging or consolidating companies engages, or is to engage, in nonbanking activities requiring the Board's approval under section 4(c)(8) of the Act, the Reserve Bank must also have delegated authority to approve the section 4(c)(8) activities.

(xiv) Applicant has a proven record of furnishing to its subsidiaries, when needed, special services, management, capital funds and general guidance.

(xv) neither bank holding company involved in this proposal nor any of the subsidiary banks of either bank holding company involved in this proposal has entered into or proposes to enter into any agreement with any officer, director, employee or shareholder of the bank(s) involved in this proposal that contains any condition that limits or restricts in any manner the right of such person to compete with the resulting or surviving company or any of its existing or proposed subsidiaries.

Effective date. These amendments are effective with respect to applications accepted by the Reserve Banks after the date of this order.

By order of the Board of Governors, April 4, 1974.

[SEAL] CHESTER B. FELDBERG, *Secretary of the Board.*

[FR Doc.74-8270 Filed 4-10-74;8:45 am]

[3] See footnote 2, above.

[4] If either of the proponent banks is a subsidiary of a holding company, the deposits of the other subsidiary banks of the holding company should be included in determining whether the resulting institution will control more than 15 percent of the total deposits in commercial banks in the State.

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Docket No. 72-CE-34-AD; Amdt. 39-1813]

PART 39—AIRWORTHINESS DIRECTIVES

Beech Models 50, 65, 65-80 and 70 Series Airplanes

AD 73-23-4, Amendment 39-1740 (38 FR 30867) as revised by Amendment 39-1771 (39 FR 2469), applicable to Beech Models 50, 65, 65-80 and 70 series airplanes is an Airworthiness Directive (AD) which requires the installation of either Beech Nacelle Interior Fire Seal Kits Nos. 65-9008-1 or 65-9008-3, as applicable, within 100 hours time in service after April 1, 1974.

Subsequent to the issuance of AD 73-23-4, as revised, the manufacturer has again advised that the subject kits will not be available for modifying the airplanes in accordance with the present compliance time provided in this AD. The Federal Aviation Administration has determined that an additional extension of compliance time for AD 73-23-4 will not materially reduce the level of safety in operating the affected aircraft. Accordingly, a new compliance time of 100 hours' time in service after July 1, 1974, for AD 73-23-4 is being established.

Since this amendment is relaxatory in nature and imposes no additional burden on any person, compliance with the notice and public procedure provisions of the Administrative Procedure Act is not necessary and good cause exists for making this amendment effective in less than thirty (30) days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator 14 CFR 11.89 (31 FR 13697), § 39.13 of Part 39 of the Federal Aviation Regulations, Amendment 39-1740 (38 FR 30867), as revised by Amendment 39-1771 (39 FR 2469), AD 73-23-4, is amended as follows:

The compliance paragraph is amended so that it now reads as follows: Compliance: Required within the next 100 hours' time in service after July 1, 1974, unless already accomplished.

This amendment becomes effective April 16, 1974.

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

Issued in Kansas City, Missouri, on April 2, 1974.

A. L. COULTER,
Director, Central Region.

[FR Doc.74-8302 Filed 4-10-74;8:45 am]

[Airspace Docket No. 74-SO-12]

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

Alteration of VOR Federal Airway

On February 20, 1974, a notice of proposed rulemaking (NPRM) was published in the FEDERAL REGISTER (39 FR 6537) stating that the Federal Aviation Administration (FAA) was considering an amendment to Part 71 of the Federal Aviation regulations that would realign the west alternate to V-35 between Sugarloaf Mountain, N.C., and Holston Mountain, Tenn.

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

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

Section 71.123 (39 FR 307, 38 FR 35450) is amended as follows:

In V-35 "INT Sugarloaf Mountain 310° and Holston Mountain 209° radials;" is deleted and "INT Sugarloaf Mountain 301° and Holston Mountain 209° radials;" is substituted therefor.

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

Issued in Washington, D.C., on April 4, 1974.

CHARLES H. NEWPOL,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.74-8303 Filed 4-10-74;8:45 am]

Title 43—Public Lands: Interior

CHAPTER II—BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 5420]

[Anchorage 024880]

ALASKA

Revocation of Public Land Order No. 4341 of December 21, 1967; Withdrawal of Lands for the Alaska Native Residents of Kenai

By virtue of the authority vested in the Secretary of the Interior by section 22(h)(4) of the Alaska Native Claims Settlement Act of December 18, 1971, 43 U.S.C. 1621(h) (1970 Supplement II), and pursuant to Executive Order No. 10355 of May 26, 1952 (17 FR 4831), it is ordered as follows:

1. Public Land Order No. 4341 of December 21, 1967, withdrawing lands for use of the Department of the Air Force, is hereby revoked so far as it affects the following described lands:

KENAI PETROLEUM PRODUCTS STORAGE ANNEX
U.S. SURVEY NO. 4563

That portion of lot 1 beginning at meander corner No. 1, thence N. 44°00′ E., 0.74 chains along line 1-2 to the true point of beginning which bears S. 44°00′ W., 50 feet distant from the approximate centerline of the Beaver Loop Road; thence N. 44°00′ E., 7.35 chains along line 1-2 to corner No. 2, thence S. 43°00′ E., 5.20 chains along line 2-3 to corner No. 3, thence S. 48°00′ W., 7.24 chains along line 3-4 to a point which bears S. 48°00′ W., 50 feet distant from the approximate centerline of the Beaver Loop Road and N. 48°00′ E., 0.20 chains from meander corner No. 4, thence N. 44°09′ W., 4.69 chains to the true point of beginning. Containing 3.60 acres.

2. All lands described in paragraph 1 of this order, which are within the boundary of the incorporated limits of the city of Kenai, are determined not to be subject to selection by any Native village corporation or regional corporation under any of the provisions of said act because of their location within 2 miles of the boundary of the city limits of Kenai, as set forth in section 22(1) of the act. Any withdrawals of those lands for such selection are hereby terminated.

3. All of the lands described in paragraph 1 of this order, which are within the boundary of the city of Kenai, are hereby withdrawn and reserved for administration by the Secretary of the Interior under the provisions of section 14(h)(3) of the act and the regulations thereunder, 43 CFR 2653, and prior to any conveyance of said lands, his authority to make contracts and to grant leases, permits, rights-of-way or easements shall not be impaired by this order. Applications for leases under the Mineral Leasing Act will be rejected until this order is modified or the lands are appropriately classified to permit mineral leasing.

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

JACK O. HORTON,
Assistant Secretary of the Interior.

[FR Doc.74-8282 Filed 4-10-74;8:45 am]

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER E—PESTICIDE PROGRAMS

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

Dialifor

Correction

In FR Doc. 74-6051 appearing at page 9964 in the issue of Friday, March 15, 1974, make the following changes:

1. In the third column on page 9964, in the fifth line of the second paragraph, the "0.6" should read "0.06".

2. On page 9965, in § 180.326:

a. In the first paragraph, the second word in the fourth line, "phsophorodithioate", should read "phosphorothioate".

b. In the second paragraph, the sentence appearing after "apples.", should be paragraphed.

Title 41—Public Contracts and Property Management

CHAPTER 18—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Miscellaneous Amendments to Chapter

The following revisions to Chapter 18 of Title 41 are prescribed as set forth below. These revisions to Chapter 18 covering changes made by Revision 6 of the NASA Procurement Regulation were effective 60 days from June 18, 1973, except for interim changes made by Procurement Regulation Directives.

PART 18-1—GENERAL PROVISIONS

1. Section 18-1.109-3 is revised to read as follows.

§ 18–1.109–3 Request for deviations.

Requests for authority to deviate from the provisions of this chapter and other procurement publications shall be submitted to the Procurement Office, NASA Headquarters (Code DKO–1). Such requests shall be signed by the Procurement Officer, or in his absence, the duly appointed Acting Procurement Officer. Such requests shall be submitted as far in advance as the exigencies of the situation will permit. Each request for a deviation shall contain as a minimum:

(a) identification of the NASA Procurement Regulation requirement from which a deviation is sought;

(b) a full description of the deviation and the circumstances in which it will be used;

(c) a description of the intended effect of the deviation;

(d) a statement as to whether the deviation has been requested previously, and, if so, circumstances of the previous request;

(e) the name of the contractor and identification of the contract affected, including the dollar value; and

(f) detailed reasons supporting the request, including any pertinent background information which will contribute to a fuller understanding of the deviation sought.

2. Section 18–1.111 is revised to read as follows:

§ 18–1.111 Reports of noncompetitive practices.

(a) Unless bids or proposals are genuinely competitive, contract prices tend to be higher than they should be. If the Administrator, NASA, or his representative considers that any bid received after formal advertising evidences a violation of the antitrust laws, he is required by 10 U.S.C. 2305(d) to refer such bids to the Attorney General of the United States for appropriate action (see § 18–2.404–1(b)(4)). Similarly, evidence of such violations in negotiated procurements will be referred to the Attorney General. (see § 18–3.215–2). Practices which are designed to eliminate competition or restrain trade and which may evidence possible violations of such laws include collusive bidding, follow-the-leader pricing, rotated low bids, uniform estimating systems, sharing of the business, identical bids, or similar actions.

(b) When bids or proposals are received and, in the opinion of the contracting officer, are indicative of possible antitrust violations, he shall report such circumstances to the General Counsel, NASA Headquarters, through the Procurement Office (Code DKP–1). Reports of such bids or proposals should not be submitted automatically, but only when there is some reason to believe that those bids or proposals may not have been arrived at independently. Such reports shall be submitted with conformed copies of bids or proposals, contract documents, and other supporting data, and shall set forth:

(1) The noncompetitive pattern or situation under consideration;

(2) Purchase experience in the same product or service for a reasonable period of time (one or more years) prior to the receipt of the bids or proposals under consideration, including unit and total contract price and abstracts of bids;

(3) Community of financial interest among bidders, insofar as it is known;

(4) The extent, if any, to which specification requirements or patents restrict competition;

(5) Informaton which may be available with respect to the pricing system employed in bids or proposals believed to reflect noncompetitive practices; and

(6) Any other information considered pertinent.

(c) Evidence of noncompetitive bid practices which, in the opinion of the General Counsel, NASA Headquarters, may violate the antitrust laws shall be forwarded to the Attorney General of the United States.

(d) The reports required by this paragraph are separate and apart from the reporting requirement contained in § 18–1.114.

3. Section 18–1.319–4 is revised to read as follows:

§ 18–1.319–4 Procedures for handling requests for performance reports.

(a) The Renegotiation Board has been requested to submit its requests for performance reports to the Director of Procurement, NASA Headquarters (Code DKO–1).

(b) Requests for performance reports received by the Director of Procurement will be forwarded to the installation concerned. Installations will be instructed to submit their reports to the Director of Procurement (Code DKO–1). The Director of Procurement (DKO–1) will review such reports prior to forwarding them to the Renegotiation Board to ensure that the reports are consistent with each other or that discrepancies are appropriately explained.

4. Section 18–1.332–3 is revised to read as follows:

§ 18–1.332–3 Required clauses.

(a) The following clause shall be included in all contracts in amounts which may exceed $5,000 except contracts which, including all subcontracts thereunder, are to be performed entirely outside the United States, its possessions, Puerto Rico, and the Trust Territory of the Pacific Islands.

UTILIZATION OF MINORITY BUSINESS ENTERPRISES (DECEMBER 1971)

(a) It is the policy of the Government that Minority Business Enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The Contractor agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Puerto Ricans, Spanish-speaking American persons, American-Orientals, American-Indians, American Eskimos, and American Aleuts. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

(b) The following clause shall be included in all contracts (except maintenance, repair and construction contracts) which may exceed $500,000, which require the clause in paragraph (a) of this section and which, in the opinion of the contracting officer, offer substantial subcontracting possibilities. Furthermore, prime contractors who are to be awarded contracts which may not exceed $500,000 but which, in the opinion of the contracting officer, offer substantial subcontracting possibilities, shall be urged to accept the clause.

MINORITY BUSINESS ENTERPRISES SUBCONTRACTING PROGRAM (JUNE 1973)

(a) The Contractor agrees to establish and conduct a program which will enable minority business enterprises (as defined in the clause, entitled, "Utilization of Minority Business Enterprises") to be considered fairly as subcontractors and suppliers under this contract. In this connection, the Contractor shall:

(1) Designate a liaison officer who will administer the Contractor's "Minority Business Enterprises Program."

(2) Provide adequate and timely consideration of the potentialities of known minority business enterprises in all "make-or-buy" decisions.

(3) Assure that known minority business enterprises will have an equitable opportunity to compete for subcontracts, particularly by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of minority business enterprises.

(4) Maintain records showing (i) procedures which have been adopted to comply with the policies set forth in this clause, including the establishment of a source list of minority business enterprises, (ii) awards to minority business enterprises on the source list, and (iii) specific efforts to identify and award contracts to minority business enterprises.

(5) Include the "Utilization of Minority Business Enterprises" clause in subcontracts which offer substantial minority business enterprise subcontracting opportunities.

(6) Cooperate with the Contracting Officer in any studies and surveys of the Contrac-

tor's minority business enterprises procedures and practices that the Contracting Officer may from time to time conduct.

(7) Submit NASA Form 524 report to the Procurement Office, (DK-1), NASA Headquarters, Washington, D.C. 20546, in accordance with the instructions contained therein.

(b) The Contractor further agrees to insert, in any subcontract hereunder which may exceed $500,000 provisions which shall conform substantially to the language of this clause, including this paragraph (b), and to notify the Contracting Officer of the names of such subcontractors.

5. Section 18–1.333 is added.

§ 18–1.333 Payment of interest on contractors' claims.

All contracts except small purchases (See Subpart 18–3.6) which contain the "Disputes" clause set forth in § 18–7.103–12, shall contain the "Payment of Interest on Contractors' Claims" clause set forth below:

PAYMENT OF INTEREST ON CONTRACTORS' CLAIMS (AUGUST 1972)

(a) If an appeal is filed by the Contractor from a final decision of the Contracting Officer under the "Disputes" clause of this contract, denying a claim arising under the contract, simple interest on the amount of the claim finally determined owed by the Government shall be payable to the Contractor. Such interest shall be at the rate established by the Secretary of the Treasury pursuant to Public Law 92–41; 85 STAT 97 for the Renegotiation Board, from the date the Contractor furnishes to the Contracting Officer his written appeal pursuant to the "Disputes" clause of this contract, to the date of (i) a final judgment by a court of competent jurisdiction, or (ii) mailing to the Contractor of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a Board of Contract Appeals.

(b) Notwithstanding (a) above, (i) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal; and (ii) interest shall not be paid for any period of time that the Contracting Officer determines the Contractor has unduly delayed in pursuing his remedies before a Board of Contract Appeals or a court of competent jurisdiction.

6. Section 18–1.361 is revised to read as follows:

§ 18–1.361 Contractor cost reduction programs.

Many aerospace contractors conduct independent Cost Reduction Programs similar to the NASA Cost Reduction Program. The cost saving achievements of these programs are of significant benefit to the Government. NASA installations should encourage contractors to report significant cost reductions which are related to individual NASA contracts. NASA Form 1105 or a brief narrative statement may be used by contractors to report cost reduction program achievements. Contractors should forward reports which they desire to be included in the NASA Cost Reduction Report to the President, directly to the Director of Procurement, NASA Headquarters (Code DKP–1).

7. Section 18–1.362 is added.

§ 18–1.362 Cost sharing.

NASA's Appropriation Acts for several years have included provisions requiring cost sharing by the contractor under research contracts resulting from unsolicited proposals. Office of Management and Budget Circular A–100, dated December 18, 1970, also sets forth circumstances under which cost sharing would be encouraged in certain contracts even when not required by statute. In accordance with the foregoing, and the general NASA policy set forth in NMI 8310.2, "Cost Sharing on Research Grants and Contracts," dated October 20, 1971, the following basic guidelines will be implemented in the negotiation of all research contracts and in supplements to such contracts which require additional funding.

(a) *When cost sharing is applicable.*

(1) Except as provided in paragraph (b)(3) of this section, cost sharing by non-Federal organizations is mandatory in any contract for basic or applied research which results from an unsolicited proposal.

(2) Cost sharing by non-Federal organizations shall be encouraged in any contract for basic or applied research which does not result from an unsolicited proposal but in which the parties nevertheless have considerable mutual interest in the research (e.g., when it is probable that the performing organization or institution will receive significant future benefits from the research, such as: increased technical knowledge useful in future operations; additional technical or scientific expertise or training for its personnel; opportunity to benefit through patent rights; and the use of background knowledge in future production contracts).

(3) Cost sharing by non-Federal organizations which is not otherwise appropriate under subparagraph (1) or (2) of this paragraph (a) may nevertheless be accepted when voluntarily offered by a performing organization.

(b) *When cost sharing is not applicable.*

(1) Except when cost sharing is mandatory pursuant to paragraph (a)(1) of this section, it is not applicable to contracts which the contracting officer has determined that:

(i) The research effort has only minor relevance to the non-Federal activities of the performing organization, which is proposing to undertake the research primarily as a service to the Government;

(ii) The performing organization has little or no non-Federal sources of funds from which to make a cost contribution;

(iii) The performing organization is predominantly engaged in research and development and has little or no production or other service activities, and is therefore not in a favorable position to make a cost contribution; or

(iv) Payment of the full cost of the project is necessary in order to obtain the services of the particular organization.

(2) Except when specifically directed by the Procurement Officer of the installation concerned, or when voluntarily offered by the performing organization, cost sharing is not applicable to:

(i) Contracts for projects whose particular research objective or scope of effort is specified by NASA rather than proposed by the performing organization. This will usually include any formal solicitation for a specific contractual requirement.

(ii) Contracts in which the principal purpose is the production of, or design, testing or improvement of products, materials, devices, systems or methods.

(3) Cost sharing is not applicable to contracts for basic or applied research resulting from an unsolicited proposal when the proposer certifies in writing to the contracting officer that it has no commercial, production, educational or service activities on which to use the results of the research; and that it has no means of recovering any cost sharing on such projects. In the foregoing situations, where there is no measurable gain to the performing organization, there is, therefore, no mutuality of interest, and it would not be equitable for the Government to require cost sharing.

(c) *Amount of cost sharing.*

(1) *Educational institutions and affiliated not for profit institutions.* Cost sharing for such institutions normally may vary from one percent to as much as five percent of the costs of the project. However, amounts greater than five percent may be accepted when voluntarily offered by the institution.

(2) *Other performing organizations.* Cost sharing for other organizations may vary from less than one percent to fifty percent or more of the costs of the research.

(3) *Additional considerations.*

(i) The amount of cost sharing which is appropriate in a given instance is independent of whether cost sharing is mandatory or merely encouraged.

(ii) Mutuality of interest in the results of the work being performed should be of primary significance in assessing the appropriateness of any particular level of cost sharing within the foregoing ranges.

(d) *Implementation.* The following policies and procedures are established to implement the basic guidelines set forth above:

(1) *Determining mutuality of interest.* Factors which may be considered in determining mutuality of interest include:

(i) The potential of the contractor to recover its contribution from non-Federal sources;

(ii) The extent to which a particular area of research requires special stimulus in the national interest; and

(iii) The extent to which the research effort or result is likely to enhance the contractor's capability, expertise or competitive position.

(2) *Payment of fee or profit.*

(i) When cost sharing is mandatory, normally no fee or profit will be paid to a contractor and only an agreed portion of allowable costs will be reimbursed. However, when required in order to reach agreement, "fee" or "profit" bearing contracts may be awarded provided the "fee" or "profit" is offset by a sharing of allowable costs in excess of such amount; i.e., the contractor's actual allowable direct and indirect costs must exceed, by an amount appropriate for cost sharing,

the total payment to the contractor including "fee" or "profit".

(ii) In contracts subject to encouraged cost sharing the provisions of a. above similarly shall apply, unless the result of the research is expected to be of only minor value to the contractor. In such event, the contractor may make its contribution in the form of a reduction from the fee or profit normally received from such work rather than by sharing in the costs of the work. The amount of any such reduction shall be appropriate to the mutuality of interest of the contractor and NASA in the results of the work.

(3) *Method of cost sharing.* Cost sharing shall be accomplished by a contribution of part or all of one or more elements of allowable cost of the work being performed, and normally shall be expressed as a stated minimum percentage of the total allowable costs of the project. Costs so contributed may not be charged to the Government under any other grant or contract (including allocation to other grants or contracts as part of an independent research and development program).

(4) *Institutional cost sharing agreements.*

(i) *Description.* An institutional cost sharing agreement covers the aggregate of all or some of the research projects (both grants and contracts) supported by NASA at a given performing organization. Eligibility for institutional cost sharing agreements is limited to non-profit institutions of higher education and non-profit organizations whose primary purpose is the conduct of scientific research. During the term of such agreements, relatively high contributions by the performing organization on some NASA projects may be offset by relatively low contributions on other NASA projects, provided that:

(*a*) The agreed aggregate contribution is made, and

(*b*) A contribution, even if nominal, is made to each of the grants and contracts to which the agreement applies.

(ii) *Applicability.* An institutional cost sharing agreement is entered into only when warranted by a large anticipated volume (normally in excess of $250,000 annually) of contracts and/or grants which will be negotiated with the performing organization during the term of the agreement and will be subject to cost sharing.

c. *Negotiating authority.* The Procurement Office, NASA Headquarters (Code DKO–1) is responsible for the negotiation of all institutional cost sharing agreements. Such agreements, when negotiated, shall be used by all procurement offices.

d. *Determination of amount.* The amount of cost sharing negotiated under an institutional cost sharing agreement will be determined in accordance with § 18–1.362(c) and should reflect the anticipated mutuality of interest of the parties during the term of the agreement. The average amount of cost sharing under previous grants and contracts with the performing organization may be used as a guide for this purpose to the extent that it is consistent with § 18–1.362(c). When the negotiated amount of cost sharing differs significantly from this average, appropriate explanation should be included in the institutional cost sharing agreement file.

e. *Content.* Institutional cost sharing agreements normally shall be executed in the format set forth below. The format may be adapted to fit specific circumstances.

INSTITUTIONAL COST SHARING AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND

This Agreement is entered into as of the _____ day of _____, 19__ between the United States of America, hereinafter called the "Government," represented by the Contracting Officer, _____ and _____, a corporation organized and existing under the laws of the State of _____, hereinafter called the "Performing Organization."

1. The Performing Organization may, from time to time during the term of this Agreement, perform research under certain NASA grants and contracts (hereinafter referred to as "subject research agreements") pursuant to which the Performing Organization agrees to share the cost of the research in the manner provided in this Agreement.

2. In each year ending _____ during the term of this Agreement, the Performing Organization shall participate in the cost of subject research agreements by contributing, from non-Federal sources, a minimum of __ percent of the aggregate direct and indirect costs which are otherwise allowable in accordance with the cost principles applicable to the subject research agreements. A nominal portion, at least, of the allowable costs of each individual subject research agreement shall be included in the aforementioned aggregate contribution.

3. The Performing Organization shall maintain records of all costs contributed pursuant to this Agreement, as well as costs to be paid by the Government. Such records shall be subject to audit by the Government. Costs contributed by the Performing Organization shall not be charged to the Government under any other grant or contract (including allocation to other grants or contracts as part of an independent research and development program).

4. This Agreement may be amended only by mutual agreement of the parties, and may be terminated in its entirety by either party upon thirty (30) days written notice to the other party. Amendment or termination of this Agreement shall not affect any subject research agreement theretofore entered into between the parties.

5. Nothing herein contained shall be construed to imply any agreement on the part of the Government to enter into research agreements with the Performing Organization.

6. This Agreement is effective _____ and shall remain in effect for a period of three (3) years thereafter unless sooner amended or terminated in accordance with the above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written:

	UNITED STATES OF AMERICA
_____	By _____
(Name of Performing Organization)	(Signature of Contracting Officer)
By _____	_____
(Signature of Authorized Individual)	Type or Printed Name
_____	
Typed or Printed Name	
Title _____	

(5) *Contract clauses.* The appropriate clause set forth below shall be inserted in each contract in which costs are shared by the contractor pursuant to the policies prescribed above.

(i) In contracts for which cost sharing has been individually negotiated, the following clause shall be used. (The clause may be modified to fit specific circumstances.)

ESTIMATED COST AND COST-SHARING (MARCH 1972)

(a) It is estimated that the toal cost of performing the work under this contract will be $_____.
(Insert total estimated cost)

(b) For the performance of the work under this contract the Contractor shall be reimbursed for not more than ____ percent of the costs of performance determined to be allowable in accordance with the Clause of the General Provisions entitled "Allowable Cost and Payment." The remaining ____ percent, or more, of the costs of performance so determined shall constitute the Contractor's share for which it will not be reimbursed by the Government.

(c) For purposes of the clause of the General Provisions entitled "Limitation of Cost" the total estimated cost to the Government is hereby established as $_____
(Insert estimated _____, and this amount is the Government share)
maximum cost for which the Government is obligated.

(d) The Contractor will maintain records of all contract costs claimed by the Contractor as constituting part of its share and such records shall be subject to audit by the Government. Costs contributed by the Contractor shall not be charged to the Government under any other grant or contract (including allocation to other grants or contracts as part of an independent research and development program).

(ii) In contracts for which cost sharing will be in accordance with a previously negotiated institutional agreement, the following clause shall be used:

COST SHARING UNDER INSTITUTIONAL AGREEMENT (MARCH 1972)

The Contractor agrees to share in the cost of the work hereunder in accordance with Institutional Cost Sharing Agreement No. _____ dated _____.

(6) *Documentation.* Contract files shall contain appropriate documentation setting forth the nature of the mutual interest of the parties and supporting the amount of cost sharing agreed upon. When cost sharing has been waived pursuant to § 18–1.362(b)(1)(iv), documentation shall include the reason for the contractor's refusal to share the cost of the work, and a justification as to why it is necessary for NASA to obtain the services of the contractor notwithstanding his refusal to share in the costs of the work.

8. Section 18–1.604–4 is revised to read as follows:

§ 18–1.604–4 Notice of debarment.

(a) The firm or individual proposed for debarment shall be furnished with a written notice of the proposed debarment by the Director of Procurement, stating as a minimum:

(1) The fact that debarment is being considered;

(2) The reasons for the proposed debarment; and

(3) The period of time to be afforded to present information for consideration.

Information in opposition to a proposed debarment may be presented in person, in writing, or through representation. The period of time to be afforded to present information for consideration shall be limited to 30 days unless the firm or individual requests and justifies additional time. When no additional time is requested, the debarment determination, including the notice to the firm or individual, shall be completed within 90 days. When additional time is requested and it is determined to grant such additional time, the 90-day period shall be adjusted accordingly. If the firm or individual is not under suspension, pursuant to §18–1.605, the notice of proposed debarment will inform the firm or individual that no contracts shall be awarded to such firm or individual pending the debarment determination.

(b) If the firm or individual proposed for debarment has affiliates who are also proposed to be debarred, the procedures set forth in paragraph (a) of this section shall be applied to such affiliates.

(c) If debarment is effected, the firm or individual and the affiliates that have been debarred will be notified by the Director of Procurement, in writing, within 10 days after determination of debarment has been made. A copy of the determination or order effecting the debarment will be enclosed with the notice. This notice will:

(1) Reference the earlier notice or proposed debarment;

(2) Specify the reasons for debarment; and

(3) State the period of debarment, including effective dates.

If, following the notice of proposed debarment, a determination is made that debarment will not be effected, the Director of Procurement will notify the firm or individual in writing accordingly.

(d) Copies of the notice of debarment and of any removals from such debarment will be furnished to the General Services Administration.

(e) All inquiries or correspondence from or in behalf of debarred contractors concerning their status, reasons for debarment action, etc., shall be forwarded to the Procurement Office, NASA Headquarters (Code DKP–1) for appropriate action.

9. Section 18–1.604–50 is revised to read as follows:

§ 18–1.604–50 Reporting procedures.

(a) Procurement officers may submit reports recommending debarment of a firm or individual for any of the causes set forth in § 18–1.604–2. Such actions shall be coordinated with local counsel.

(b) Reports recommending debarment shall be submitted in triplicate to the Procurement Office, NASA Headquarters (Code DKP–1). Each such report shall contain a complete statement of the facts concerning the firm's or individual's dereliction, including affidavits, depositions, records of action, if applicable, and any other relevant data. Names and addresses of all persons having knowledge of the circumstances shall be included. Such reports shall include the names and addresses of all known affiliates of reported firms or individuals, together with the nature of such affiliation.

10. Section 18–1.701–1 is revised to read as follows:

§ 18–1.701–1 Small Business concern.

(a) (1) *General definition.* A small business concern is a concern that is independently owned and operated, is not dominant in the field of operation in which it is bidding on Government contracts, and with its affiliates, can further qualify under the criteria set forth in paragraph (a) (2) and (3) of this section. "Concern" means any business entity organized for profit with a place of business in the United States, its possessions, Puerto Rico, or the Trust Territory of the Pacific Islands, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative. For the purpose of a procurement of a product or service that could be classified into two or more industries with different size standards, the size standard to be used in determining a bidder's size status shall be that for the industry whose definition best describes the principal nature of the product or service being procured.

(2) *Industry small business size standards.* In addition to being independently owned and operated, and not dominant in the field of operation in which it is bidding on Government contracts, a small business concern in order to qualify as such must meet the criteria established for the industries set forth below. "Annual receipts" means the gross income (less returns and allowances, sales of fixed assets and interaffiliate transactions) of a concern (and its affiliates) from sales of products and services, interest, rents, fees, commissions, and/or from whatever other source derived, as entered on its regular books of account for its most recently completed fiscal year (whether on a cash, accrual, completed contracts, percentage of completion, or other acceptable accounting basis) and in the case of a concern subject to U.S. Federal income taxation, reported or to be reported to the U.S. Treasury Department, Internal Revenue Service, for Federal income tax purposes. If a concern has been in business less than one year, its annual receipts shall be computed by determining its average weekly receipts for the period in which it has been in business and multiplying such figure by 52. If a concern has 50 percent or more of its annual receipts attributable to business activity within Alaska, then whenever the size criterion of "annual receipts" is used in any size definition contained in this Subpart, the stated dollar limitation for the purpose of qualifying as a small business concern shall be increased by 25 percent of the indicated amount.

(i) *Construction industries.* For construction, alteration, or repair (including painting and decorating), of buildings, bridges, roads, or other real property, the average annual receipts of the concern and its affiliates for its preceding three fiscal years must not exceed $7,500,000. For dredging, the average annual receipts of the concern and its affiliates for its preceding 3 fiscal years must not exceed $5,000,000. Also, in order to be eligible for a small business set-aside award on dredging contracts, the firms must perform the dredging of at least 40 percent of the yardage advertised in the plans and specifications with dredging equipment owned by the bidder or obtained from another small business dredging concern.

(ii) *Manufacturing industries.*

(*a*) *Food canning and preserving industry.* For food canning and preserving, the number of employees of the concern and its affiliates must not exceed 500 persons, exclusive of "agricultural labor" as defined in 26 U.S.C. 3306(k).

(*b*) *Refined Petroleum Products.* Any concern bidding on a contract for a refined petroleum product other than paving mixture and blocks, asphalt felts and coatings, lubricating oils and greases, or products of petroleum and coal, not elsewhere classified, is classified as small if (1) (*i*) its number of employees does not exceed 1,000 persons; (*ii*) it does not have more than 30,000 barrels-per-day crude or bonafide feed stock capacity from owned or leased facilities or from facilities made available to such concern under an arrangement such as, but not limited to, an exchange agreement (except one on a refined product for refined product basis), or a throughput or other form of processing agreement with the same effect as though such facilities had been leased; and (*iii*) the product to be delivered in the performance of the contract will contain at lease 90 percent components refined by the bidder from either crude oil or bona fide feed stocks: *Provided, however,* That a petroleum refining concern which meets the requirements in (*i*) and (*ii*) of this (*b*) (1) may furnish the product of a refinery not qualified as small business if such product is obtained pursuant to a bona fide exchange agreement, in effect on the date of the bid or offer, between the bidder or offeror and the refiner of the product to be delivered to the Government which require exchanges in a stated ratio on a refined petroleum product for a refined petroleum product basis, and precludes a monetary settlement, and that the products exchanged for the products offered and to be delivered to the Government meet the requirement in (*iii*) of this (b) (1): *And, provided further,* That the exchange of products for products to be delivered to the Government will be completed within 90 days after expiration of the delivery period under the Government contract and that any product furnished pursuant to a bona fide exchange agreement must be

for delivery in the same Petroleum Administration for Defense (PAD) District as that in which the small refinery is located; or (2) its number of employees does not exceed 500 persons and the product to be delivered to the Government has been refined by a concern which qualifies under this (b)(1).

(c) *Pneumatic tires.* For passenger cars, motorcycles, truck, bus, and off-the-road pneumatic tires, a concern is classified as small when bidding on a contract for the above listed items: *Provided,* That (1) the value of the above types of pneumatic tires which it manufactured in the United States during the preceding calendar year is more than 50 percent of the value of its total worldwide manufacture, (2) the value of these pneumatic tires which it manufactured worldwide during the preceding calendar year was less than 5 percent of the value of all such tires manufactured in the United States during said period, and (3) the value of the principal products which it manufactured or otherwise produced or sold worldwide during the preceding calendar year is less than 10 percent of the total value of such products manufactured or otherwise produced or sold in the United States during said period. This section does not apply to procurements for the repairing and/or retreading of pneumatic aircraft tires which, by reason of the extent and nature of the equipment and operations required, is considered for size standards purposes to be manufactured within the meaning of Standard Industrial Classification Industry No. 3011, Tires and Inner Tubes.

(d) *Passenger cars.* A company is classified as small if it is bidding on a contract for passenger cars: *Provided,* That (1) the value of the passenger cars which it manufactured or otherwise produced in the United States during the preceding calendar year is more than 50 percent of the value of its total worldwide manufacture or production of such passenger cars, (2) the value of the passenger cars which it manufactured or otherwise produced during the preceding calendar year was less than 5 percent of the total value of all such cars manufactured or produced in the United States during the said period, and (3) the value of the principal products which it manufactured or otherwise produced or sold during the preceding calendar year is less than 10 percent of the total value of such products manufactured or otherwise produced or sold in the United States during said period.

(e) *Rebuilding of machinery on a factory basis.* Any concern bidding on a contract for the rebuilding of machinery or equipment on a factory basis is classified as small business: *Provided,* the purpose of the rebuilding is to restore such machinery or equipment to as serviceable and as like new condition as possible and the number of employees does not exceed the number of employees specified for the classification code applicable to the manufacturer of the original item. The size standard is not limited to concerns who are manufacturers of the original item but is applicable to all bidders or offerors. The term "rebuilding on a factory basis" as used in this subsection does not include ordinary repair services such as those involving minor repair and/or preservation operations.

(f) *Manufacturing industries listed in § 18–1.701.4.* For a product classified within an industry listed in § 18–1.701–4. the number of employees of the concern and its affiliates must not exceed the small business size standard established therein for that industry.

(g) *Manufacturing industries not listed in § 18–1.701–4.* For a product classified within an industry not set forth in this paragraph or in § 18–1.701–4, the number of employees of the concern and its affiliates must not exceed 500 persons.

(iii) *Nonmanufacturing industries.* For a product not manufactured by the concern submitting a bid or proposal, other than for a construction or service contract, the number of employees of that concern must not exceed 500 persons, and in the case of a procurement set aside for small business (see § 18–1.706) or involving equal low bids (see § 18–2.407–6), or otherwise involving the preferential treatment of small business (e.g., Certificate of Competency procedures, see § 18–1.705–4), it must agree to furnish in the performance of the contract end items manufactured or produced in the United States, its possessions, Puerto Rico, or the Trust Territory of the Pacific Islands by small business concerns. However, if the goods to be furnished are wool, worsted, knitwear, duck, or webbing, nonmanufacturers (dealers and converters), shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear) and, if finishing is required, by a small finisher. If the product to be furnished is thread, nonmanufacturers (dealers and converters) shall furnish thread which has been finished by a small finisher. (Finishing of thread is defined as all dyeing, bleaching, glazing, mildew proofing, coating, waxing, and other applications required by the pertinent specification, but excluding mercerizing, spinning, throwing, or twisting operations).

(iv) *Service industries.*

(a) For services not elsewhere defined in this Subpart the average annual receipts of the concern and its affiliates for the preceding three fiscal years must not exceed $1 million.

(b) Any concern bidding on a contract for engineering services (other than marine engineering services), motion picture production, or motion picture services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $5 million.

(c) Any concern bidding on a contract for naval architectural and marine engineering services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $6 million.

(d) Any concern bidding on a contract for janitorial and custodial services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $3 million.

(e) Any concern bidding on a contract for base maintenance is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $5 million. Base maintenance is defined in "Note" at the end of § 18–1.701–4.

(f) Any concern bidding on contracts for marine cargo handling services is classfied as small if its annual receipts do not exceed $5 million for the preceding three fiscal years.

(g) Any concern bidding on a contract for food services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $4 million.

(h) (1) Any concern bidding on a contract for laundry services including linen supply, diaper services, and industrial laundering, is classified small if its average annual receipts for its preceding three fiscal years do not exceed $3 million.

(2) Any concern bidding on a contract for cleaning and dyeing including rug cleaning services is classified small if its average annual receipts for its preceding three fiscal years do not exceed $1 million.

(i) Any concern bidding on a contract for computer programming services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $3 million.

(j) Any concern bidding on a contract for flight training services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $5 million.

(k) Any concern bidding on a contract for motorcar rental and leasing services or truck rental and leasing services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $5 million.

(l) Any concern bidding on a contract for tire recapping services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $3 million.

(m) Any concern bidding on a contract for data processing services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $3 million.

(n) Any concern bidding on a contract for computer maintenance services is classified as small if its average annual receipts for its preceding three fiscal years do not exceed $5 million.

(v) *Transportation industries.*

(a) *General.* Except as provided in (b) and (c) of this subdivision (v), for passenger or freight transportation the number of employees of the concern and its affiliates must not exceed 500 persons.

(b) *Air transportation.* For air transportation, the number of employees of the concern and its affiliates must not exceed 1,500 persons.

(c) *Trucking (local and long distance), warehousing, packing and crating, and/or freight forwarding.* For trucking (local and long distance), warehousing, packing and crating, and/or freight forwarding, the annual receipts of the concern and its affiliates must not exceed $5,000,000. No such concern, however, will be denied small business status for the purpose of Government procure-

ment solely because of its contractual relationship with a large interstate van line if the concern's annual receipts have not exceeded $5,000,000 during its most recently completed fiscal year.

(vi) *Research, development or testing industries.* For research, development, or testing, which requires delivery of a manufactured product, a concern must:

(a) Qualify as a small business manufacturer within the meaning of subdivision (ii) of this subparagraph for the industry in which the product is classified, or

(b) Qualify as a small business nonmanufacturer within the meanings of subdivision (iii) of this subparagraph. For research, development, or testing, which does not require delivery of a manufactured product, the number of employees of the concern and its affiliates must not exceed 500 persons.

(3) *Small business subcontractors.* In connection with subcontracts' of $2,500 or less, any concern will be considered a small business concern if it, with its affiliates, employs not more than 500 employees. In connection with subcontracts exceeding $2,500, any concern shall be considered a small business concern if it qualifies as such under subparagraphs (1) and (2) of this paragraph.

(b) *Dominance in field of operations.* A concern "is not dominant in its field of operations" when it does not exercise a controlling or major influence in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration is given to all appropriate factors including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents and license agreements, facilities, sales territory, and nature of business activity.

(c) *Affiliates.* Business concerns are affiliates of each other when either directly or indirectly (1) one concern controls or has the power to control the other or (2) a third party controls or has the power to control both. In determining whether concerns are independently owned and operated and whether or not affiliation exists, consideration is given to all appropriate factors including common ownership, common management, and contractual relationships: *Provided, however,* That restraints imposed on a franchisee by its franchise agreement shall not be considered in determining whether the franchisor controls or has the power to control and, therefore, is affiliated with the franchisee, if the franchisee has the right to profit from his effort, commensurate with ownership, and bears the risk of loss or failure.

(d) *Number of employees.* In connection with the determination of small business status, "number of employees" means the average employment of any concern, including the employees of its domestic and foreign affiliates, based on the number of persons employed on a full-time, part-time, temporary, or any other basis during the pay period ending nearest the last day of the third month in each calendar quarter for the preceding four quarters. If a concern has not been in existence for four calendar quarters, "number of employees" means the average employment of such concern and its affiliates during the period such concern has been in existence based on the number of persons employed during the pay period ending nearest the last day of each month.

(e) *Small business certificate.* A small business certificate is a certificate issued by SBA pursuant to the authority contained in Sections 3 and 8(b)(6) of the Small Business Act certifying that the holder of the certificate is a small business concern for the purpose of Government procurement and in accordance with the terms of the certificate.

11. Section 18–1.701–4 is revised to read as follows:

§ 18–1.701–4 Manufacturing Industry Employment Size Standards.

The Standard Industrial Classification Manual (1967 Edition) index provides an alphabetical listing of products and the industry with which the product is associated, which includes references to the Classification Code set forth below.

Census classification code	Industry	Employment size standard (number of employees)[1]
	MAJOR GROUP 19—ORDNANCE AND ACCESSORIES	
1925	Guided missiles and space vehicles, completely assembled	1000
1931	Tanks and tank components	1000
1951	Small arms	1000
1961	Small arms ammunition	1000
	MAJOR GROUP 20—FOOD AND KINDRED PRODUCTS	
2026	Milk, fluid	750
2032	Canned specialties	1000
2043	Cereal preparations	1000
2046	Wet corn milling	750
2052	Biscuit, crackers, and pretzels	750
2062	Cane sugar refining	750
2063	Beet sugar	750
2085	Distilled, rectified, and blended liquors	750
2093	Vegetable oil mills, except cottonseed and soybean	1000
2096	Shortening, table oils, margarine, and other edible fats and oils, not elsewhere classified	750
	MAJOR GROUP 21—TOBACCO MANUFACTURERS	
2111	Cigarettes	1000
	MAJOR GROUP 22—TEXTILE MILL PRODUCTS	
2211	Broad woven fabric mills, cotton	1000
2261	Finishers of broad woven fabrics of cotton	1000
2271	Woven carpets and rugs	750
2295	Artificial leather, oilcloth, and other impregnated and coated fabrics, except rubberized	1000
2296	Tire cord and fabric	1000
	MAJOR GROUP 26—PAPER AND ALLIED PRODUCTS	
2611	Pulp mills	750
2621	Paper mills, except building paper mills	750
2631	Paperboard mills	750
2646	Pressed and molded pulp goods	750
2654	Sanitary food containers	750
2661	Building paper and building board mills	750
	MAJOR GROUP 28—CHEMICALS AND ALLIED PRODUCTS	
2812	Alkalies and chlorine	1000
2813	Industrial gases	1000
2815	Dyes, dye (cyclic) intermediates, and organic pigments (lakes and toners)	750
2816	Inorganic pigments	1000
2818	Industrial organic chemicals, not elsewhere classified	1000
2819	Industrial inorganic chemicals, not elsewhere classified	750
2821	Plastics materials, synthetic resins, and nonvulcanizable elastomers	750
2822	Synthetic rubber (vulcanizable elastomers)	1000
2823	Cellulose man-made fibers	1000
2824	Synthetic organic fibers, except cellulosic	1000
2833	Medicinal chemicals and botanical products	750
2834	Pharmaceutical preparations	750
2841	Soap and other detergents, except specialty cleaners	750
2892	Explosives	750
	MAJOR GROUP 29—PETROLEUM REFINING AND RELATED INDUSTRIES	
2952	Asphalt felts and coatings	750
	MAJOR GROUP 30—RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS	
3011	Aircraft tire and all inner tubes	1000
3021	Rubber footwear	1000
3031	Reclaimed rubber	750
	MAJOR GROUP 32—STONE, CLAY, AND GLASS PRODUCTS	
3211	Flat glass	1000
3221	Glass containers	750
3229	Pressed and blown glass and glassware, not elsewhere classified	750
3241	Cement, hydraulic	750
3261	Vitreous china plumbing fixtures, and china and earthenware fittings, and bathroom accessories	750
3275	Gypsum products	1000
3292	Asbestos products	750
3296	Mineral wool	750
3297	Nonclay refractories	750
	MAJOR GROUP 33—PRIMARY METAL INDUSTRIES	
3312	Blast furnaces (including coke ovens), steel works, and rolling mills	1000
3313	Electrometallurgical products	750
3315	Steel wire drawing and steel nails and spikes	1000
3316	Cold rolled sheet, strip and bars	1000
3317	Steel pipe and tubes	1000

Census classification code	Industry	Employment size standard (number of employees)[1]
3331	Primary smelting and refining of copper	1000
3332	Primary smelting and refining of lead	1000
3333	Primary smelting and refining of zinc	750
3334	Primary production of aluminum	1000
3339	Primary smelting and refining of nonferrous metals, not elsewhere classified	750
3351	Rolling, drawing, and extruding of copper	750
3352	Rolling, drawing, and extruding of aluminum	750
3356	Rolling, drawing, and extruding of nonferrous metals, except copper and aluminum	500
3357	Drawing and insulating of nonferrous wire	1007
3399	Primary metal industries, not elsewhere classified	750
	Major Group 34—Fabricated Metal Products, Except Ordnance, Machinery, and Transportation Equipment	
3411	Metal cans	1000
3431	Enameled iron and metal sanitary ware	750
	Major Group 35—Machinery, Except Electrical	
3511	Steam engines; steam, gas, and hydraulic turbines; and steam, gas, and hydraulic turbine generator set units	1000
3519	Internal combustion engines, not elsewhere classified	1000
3531	Construction machinery and equipment	750
3537	Industrial trucks, tractors, trailers, and stackers	750
3562	Ball and roller bearings	750
3571	Computing and accounting machines, including cash registers	1000
3572	Typewriters	1000
3573	Electronic computing equipment	1000
3574	Calculating and accounting machines, except electronic computing equipment	1000
3585	Refrigerators; refrigeraiton machinery, except household; and complete air conditioning units	750
	Major Group 36—Electrical Machinery, Equipment, and Supplies	
3612	Power, distribution, and specialty transformers	750
3613	Switchgear and switchboard apparatus	750
3621	Motors and generators	1000
3622	Industrial controls	750
3624	Carbon and graphite products	750
3631	Household cooking equipment	750
3632	Household refrigerators and home and farm freezers	1000
3633	Household laundry equipment	1000
3634	Electric housewares and fans	750
3635	Household vacuum cleaners	750
3636	Sewing machines	750
3641	Electric lamps	1000
3651	Radio and television receiving sets, except communication types	750
3652	Phonograph records	750
3661	Telephone and telegraph apparatus	1000
3662	Radio and television transmitting, signaling, and detection equipment, and apparatus	750
3671	Radio and television receiving type electron tubes, except cathode ray	1000
3672	Cathode ray picture tubes	750
3673	Transmitting, industrial, and special purpose electron tubes	750
3692	Primary batteries, dry and wet	1000
3694	Electrical equipment for internal combustion engines	750
	Major Group 37—Transportation Equipment	
3717	Motor vehicles and parts [3]	1000
3721	Aircraft [4]	1500
3722	Aircraft engines and engine parts [4]	1000
3723	Aircraft propellers and propeller parts	1000
3729	Aircraft parts and auxiliary equipment, not elsewhere classified [5]	1000
3731	Shipbuilding and repairing [6]	1000
3741	Locomotives and parts	1000
3742	Railroad and street cars	750
	Major Group 39—Miscellaneous Manufacturing Industries	
3996	Linoleum, asphalted-felt-base, and other hard surface floor coverings, not elsewhere classified	750

[1] The "number of employees" means the average employment of any concern and its affiliates based on the number of persons employed during the pay period ending nearest the last day of the third month in each calendar quarter for the preceding four quarters.

[2] [Reserved]

[3] The three Standard Industrial Classification industries (3711, 3712, and 3714) have been combined because of a major problem of defining the reporting unit in terms of these industries. This difficulty arises from the fact that many large establishments have integrated operations which include the production of parts or bodies and the assembly of complete vehicles at the same location.

[4] Includes maintenance as defined in the Federal Aviation Regulations (14 CFR 1.1) but excludes contracts solely for preventive maintenance as defined in 14 CFR 1.1. As defined in the Federal Aviation Regulations:

"'Maintenance' means inspection, overhaul, repair, preservation, and the replacement of parts, but excludes preventive maintenance."

"'Preventive maintenance' means simple or minor preservation operations and the replacement of small standard parts not involving complex assembly operations."

[5] Guided missile engines and engine parts are classified in SIC 3722. Missile control systems are classified in SIC 3662.

[6] Shipbuilding and repairing industry includes establishments primarily engaged in building and repairing all types of ships, barges, canal boats, and lighters, of 5 gross tons and over, whether propelled by sail or motor power or towed by other craft. Establishments primarily engaged in fabrication or repairing structural assemblies or components for ships, or subcontractors engaged in ship painting, joinery, carpentry work, electrical wiring installation, etc., are not included. The size standard for Boatbuilding and Repairing (establishments primarily engaged in building and repairing all types of boats, except rubber boats, under 5 gross tons) is 500.

NOTE.—Base Maintenance means furnishing at an installation within the several States, Commonwealth of Puerto Rico, Virgin Islands, the Trust Territory of the Pacific Islands or the District of Columbia three or more services which may include but are not limited to such maintenance activities as janitorial and custodial services, protective guard services, commissary services, base housing maintenance, fire prevention services, refuse collection services, safety engineering services, messenger services, grounds maintenance and landscaping services, and air conditioning and refrigeration maintenance: *Provided, however,* That whenever the contracting officer determines prior to the issuance of bids that the estimated value of one of the foregoing services constitutes more than 50 percent of the estimated value of the entire contract, the contract shall not be classified as base maintenance but in the industry in which such service is classified.

12. Section 18–1.703 is revised to read as follows:

§ 18–1.703 Determination of status as small business concern.

(a) *General.* (1) *Prior to solicitation.* If a contracting officer or a small business specialist requires information from SBA concerning the size status of a concern in order to make a determination concerning (i) the initiation of a small business set-aside, or (ii) the forwarding of a small business restricted solicitation to such concern but time considerations preclude obtaining a formal SBA small business size determination, he may request informal advice on the matter from the SBA regional office having jurisdiction of the geographical area in which the contracting officer is located. While a contracting officer or a small business specialist may take action on the basis of such informal advice, such advice shall not be binding with respect to the final establishment of the eligibility of a concern as a small business for the purpose of a particular procurement; nor shall it be considered a formal SBA small business size determination (see paragraph (b)(3) and (4)) of this section.

(2) *Subsequent to solicitation.* Except as provided in paragraph (b) of this section, the contracting officer shall accept at face value for the particular procurement involved, a representation by the bidder or offeror that it is a small business concern.

(b) *Representation by a bidder or offeror.* Representation by a bidder or offeror that it is a small business concern shall be effective, even though questioned in accordance with the terms of this paragraph (b), unless the SBA, in response to such question and pursuant to the procedures in paragraph (b)(3) of this section, determines that the bidder or offeror in question is not a small business concern. If a procurement calls for more than one item and the solicitation permits bids on any item, all items, or all or none, the offeror must meet the small business size standard for each item it is awarded. If the procurement calls for more than one item and the solicitation requires bid on an all or none basis, the offeror can qualify as small business for such procurement if it meets the size standard for the item accounting for the greatest percentage of the total contract value. The controlling point in time for a determination concerning the size status of a questioned bidder or offeror shall be the date of award, except that no bidder or offeror shall be eligible for award as a small business concern unless he has, or unless he could have (in those cases where a representation as to size of business has not been made), in good faith represented himself as small business prior to the opening of bids or closing date for submission of offers (see § 18–2.405(b) with respect to minor informalities and irregularities in bids). A representation by a bidder or offeror that it is a small business concern will not be accepted by

the contracting officer if it is known that such concern has previously been finally determined by SBA to be ineligible as a small business for the item or service being procured, and such concern has not subsequently been certified by SBA as being a small business. If SBA has determined that a concern is ineligible as a small business for the purpose of a particular procurement, it cannot thereafter become eligible for the purpose of such procurement by taking affirmative action to constitute itself as small business.

(1) *Protest of small business status.* Any bidder, offeror, or any other interested party may, in connection with a contract involving small business set-aside or otherwise involving small business preferential consideration, question the small business status of any apparently successful bidder or offeror by sending a written protest to the contracting officer responsible for the particular procurement. The protest shall contain the basis for the protest together with specific detailed evidence supporting the protestant's claim that such bidder or offeror is not a small business. Such protest must be received by the contracting officer prior to the close of business on the fifth working day exclusive of Saturday, Sunday, and Federal Legal Holidays (hereinafter referred to as a working day) after bid opening date for formally advertised and small business restricted advertised procurements. In set-aside procurements requiring submission of proposals, the contracting officer shall, except under the circumstances specified in § 18–3.106–3 (b), notify the apparently unsuccessful offerors in writing of the name and location of the apparently successful offeror(s) and establish a deadline date (at least five working days plus a reasonable time for the notice to reach the unsuccessful offerors) by which any size protest on the instant procurement must be received. A protest received after the appropriate time shall be considered timely, if in the case of (i) a mailed protest, it is sent by registered or certified mail and the postmark thereon indicates that it would have been delivered within the time limit except for delays beyond the control of the protestant, or (ii) a telegraphic protest, the telegram date and time line indicates that it would have been delivered within the time limit except for delays beyond the control of the protestant. The following procedures shall apply:

(a) *Timely protest received prior to award.* When the contracting officer receives a timely protest prior to award, he shall forward the protest record to the Small Business Administration regional office serving the area in which the protested concern is located. The Small Business Administration will promptly notify the contracting officer and the protestant of the date of its receipt of any such protest and will advise the bidder or offeror in question that his small business status is under review;

(b) *Untimely protests received prior to award.* A protest which is not timely, even though received before award, shall be forwarded to the Small Business Administration regional office serving the area in which the protested concern is located, with a notation thereon that the protest is not timely. The protestant shall be notified that his protest cannot be considered on the instant procurement but has been referred to SBA for its consideration in any future actions; however, see paragraph (b)(2) of this section for authority of contracting officer to question small business status of an apparently successful offeror at any time prior to award;

(c) *Action on protests received after award.* A protest received after award of a contract shall be forwarded to the Small Business Administration regional office serving the area in which the protested concern is located with a notation thereon that award has been made. The protestant shall be notified that award has been made and that his protest has been forwarded to SBA for its consideration in future actions.

(2) *Questioning of status by contracting officer or procurement officer.* A contracting officer may, any time prior to award, question the small business status of the apparently successful bidder or offeror by sending a written notice to the SBA regional office of the region in which the bidder or offeror has his principal place of business. Such notice shall contain a statement of the basis for the question, together with available supporting facts. SBA will advise the bidder or offeror in question that his small business status is under review. The Procurement Officer may, at any time subsequent to award, challenge the eligibility of the contractor on the instant procurement by sending a written notice to the SBA regional office of the region in which the contractor has his principal place of business.

(3) *Determination by SBA regional director.* The SBA Regional Director will determine the small business status of the questioned bidder or offeror and notify the contracting officer and the bidder or offeror of his determination, and award may be made on the basis of that determination. This determination is final unless it is appealed in accordance with subparagraph (4) of this paragraph (b), and the contracting officer is notified of the appeal prior to award. If an award was made prior to the time the contracting officer received notice of the appeal, the contract shall be presumed to be valid. Action to be taken on SBA determinations shall be as follows:

(i) If the SBA Regional Director's determination is not received by the contracting officer 10 working days after SBA's initial receipt of a protest or notice questioning the Small Business status of a bidder or offeror, it shall be presumed that the questioned bidder or offeror is a small business concern. This presumption will not be used as a basis for making an award to the questioned bidder or offeror without first ascertaining when a size determination can be expected from SBA, and where practicable, waiting for such determination, unless further delay in award would be disadvantageous to the Government.

(ii) If an appeal from the SBA Regional Director's determination is made, pursuant to subparagraph (4) of this paragraph (b), to the Chairman, Size Appeals Board, Small Business Administration, Washington, D.C. 20416, and the contracting officer is notified prior to award, an additional 20 working days (*i.e.*, 30 working days inclusive from the time of initial receipt of the case in the SBA field office) shall be allowed for receipt of the SBA size determination.

(iii) If the determination of the Chairman, Size Appeals Board, Small Business Administration, on the appeal is not received by the contracting officer within the 30 working day period, it shall be presumed that the SBA Regional Director's size determination has been sustained.

(iv) Until receipt of the SBA determination of the size status, or expiration of the ten day period (30 days in case of an appeal to the Chairman, Size Appeals Board), whichever occurs first, procurement action shall be suspended; however, this suspension shall not apply to any urgent procurement action which the contracting officer determines in writing must be awarded without delay to protect the public interest. The contracting officer's determination shall be placed in the contract file.

(4) *Appeal from size determination.* An appeal from a size determination made by an SBA Regional Director may be taken before the close of business on the fifth working day after the receipt of such decision. Unless such written notice of appeal is received by the SBA Size Appeals Board, Washington, D.C., within this time and the contracting officer has been notified of such appeal prior to award, the appellant will be deemed to have waived its rights of appeal insofar as the pending procurement is concerned.

(5) *Award of set-side procurements.* When the contracting officer determines in writing that award must be made without delay to protect the public interest, award will not be made prior to (i) five working days after the bid opening date for procurements placed through small business restricted advertising, or (ii) the deadline date for submitting a protest set forth in the notification to the apparently unsuccessful offeror(s) for small business set-aside procurements placed through conventional negotiation.

(c) *Product classification.* (1) *Determination by contracting officer.* The contracting officer shall determinate the appropriate classification of a product or service establishing the small business definition to be used in a specific procurement. If different products or services are being procured on the same solicitation, and appropriate small business size standard shall be established for each product or service. Both the classification and the applicable size standard (number of employees, average

annual receipts, etc.), pursuant to § 18–1.701, shall be set forth in the Schedule of each solicitation which anticipates an expenditure in excess of $2,500. The contracting officer's determination shall be final unless appealed in accordance with subparagraph (2) of this paragraph (c).

(2) *Appeal from classification.* An appeal from a product or service classification determination by a contracting officer must be taken:

(i) Not less than 10 working days before the bid opening date or the deadline for submitting proposals or quotations where this date or deadline is more than 30 days after the issuance of the invitation for bids or request for proposals or quotations; or

(ii) Not less than five working days before the bid opening date or the deadline for submitting proposals or quotations where this date or deadline is 30 or less days after the issuance of the invitation for bids or request for proposals or quotations.

Such appeals shall be directed to the Chairman, Size Appeals Board, Small Business Administration, Washington, D.C. 20416.

(3) *Action of size appeals board.* The Size Appeals Board will promptly notify the contracting officer of the receipt of a valid appeal and, if possible, will inform the contracting officer prior to the date set for opening of the solicitation of its ruling on the appeal. The SBA decision, if received prior to the opening date, shall be considered final, and solicitations will be modified to reflect such decision, if necessary. Where appropriate, opening dates may be extended. SBA rulings received after the opening date shall not apply to the current procurement but shall apply in future procurements of the product or service.

13. Section 18–1.704–1 is revised to read as follows:

§ 18–1.704–1 NASA Headquarters.

The Director of Procurement is responsible for the general supervision and coordination of the NASA Small Business Program. Within the Procurement Office, the Small Business Advisor is responsible for developing the NASA small business program, advising the Director of Procurement and other NASA officials on small business matters, and representing NASA before other Government agencies and industry on matters related to the small business program.

14. Section 18–1.704–3 is revised to read as follows:

§ 18–1.704–3 Small business specialists.

The small business specialist appointed pursuant to § 18–1.704–2, shall perform the following duties, as determined appropriate to the installation by the Procurement Officer:

(a) He shall maintain a program designed to locate capable small business sources for current and future procurements, through SBA or other methods.

(b) He shall coordinate inquiries and requests for advice from small business concerns on procurement matters.

(c) Prior to issuance of solicitations or contract modifications for additional supplies or services, he shall determine that small business concerns will receive adequate consideration including initiation of set-asides (§ 18–1.706). This determination may be made jointly with the contracting officer or may be in the form of a recommendation to him. Disagreements between the small business specialist and the contracting officer on proposed set-aside action shall be resolved by the Procurement Officer whose decision shall be final except in those cases where an SBA representative intervenes as an interested party. (See § 18–1.706–3 as to resolution of disagreements with SBA recommendations on set-asides.) (See § 18–1.308 as to be the required record of contract actions.)

(d) If small business concerns cannot be given an opportunity to compete because adequate specifications or drawings are not available, unless there are sufficient and valid reasons to the contrary, initiate action, in writing, with appropriate technical and contracting personnel to ensure that necessary specifications or drawings for the current or future procurements, as appropriate, are available.

(e) He shall review procurement programs for possible breakout of items suitable for procurement from small business concerns.

(f) He shall advise small business concerns with respect to the financial assistance available under existing law and regulations and assist such concerns in applying for financial assistance. He shall also assure that requests by small business concerns for proper assistance are not treated as a handicap in securing the award of contracts.

(g) He shall participate in determinations concerning responsibility of a prospective contractor (see § 18–1.904), including terminations involving tenacity, perseverance, and integrity factors, whenever small business concerns are involved.

(h) He shall participate in the evaluation of a prime contractor's small business subcontracting program (see § 18–1.707–4).

(i) He shall review and make appropriate recommendations to the contracting officer on any proposal to furnish Government owned facilities to a contractor if such action may hurt the small business program.

(j) He shall assure that participation of small business concerns is accurately reported.

(k) He shall bring to the attention of the Procurement Officer possible contracting opportunities in or near sections of concentrated unemployment or underemployment and of areas of persistent or substantial labor surplus.

(l) He shall make available to SBA copies of solicitations when so requested.

(m) He shall act as liaison between the contracting officer and SBA field offices and representatives in connection with set-asides, certificates of competency and any other matters in which the Small Business Program may be involved. Procurements in which certificates of competency are requested, shall be reported to the Director of Procurement, NASA Headquarters. The report should contain a description of the requirement, a list of the bidders or proposers, and the contract prices specified in the bids or proposals as submitted and the reason for the proposed rejection of an otherwise acceptable small business bid or proposal. Pertinent dates such as the required date for the completion of the procurement, the date of the request for the certificate of competency, etc., should also be furnished.

(n) He shall, in cooperation with the contracting officer and technical personnel, seek and develop information on the technical competence of small business concerns for research and development contracts. He shall regularly bring to the attention of the contracting officers and technical personnel descriptive data, brochures, and other information as to small business concerns that are apparently competent to perform research and development work in fields in which NASA is interested.

(o) When a small business firm's bid has been rejected for nonresponsiveness or nonresponsibility, the small business specialist, upon request, shall aid, counsel and assist that small business firm in understanding requirements for responsiveness and reponsibility so that the firm may be able to qualify for future awards.

15. Section 18–705–2 is revised to read as follows:

§ 18–1.705–2 SBA representatives.

(a) SBA may assign representatives to any procurement office on a full or part time basis to carry out SBA policies and programs. In accordance with the procedures of the installation concerned, SBA shall obtain security clearances for each of its representatives. SBA representatives and employees shall comply with NASA directives concerning the conduct of procurement personnel. The duties of the assigned SBA representatives include review of proposed procurements to recommend to the procurement office (1) set-asides on selected procurements not unilaterally set-aside by the small business specialist and the contracting officer, (2) new qualified potential small business sources, and (3) breakout of components for competitive procurement. SBA representatives may, on request, be authorized to conduct periodic reviews of procurement activities to ascertain whether there is compliance with the small business policies prescribed by NASA.

(b) The procurement office shall include in the appropriate bidders list or in any group of firms to be solicited in specific procurements, the names of firms submitted by SBA, unless there is a vaild reason for not so doing.

(c) If the contracting officer determines not to solicit a firm recommended

by SBA in a particular procurement, and as a result no small business firm will be solicited, SBA may appeal such determination to the Procurement Officer.

16. Section 18–1.705–4 is revised to read as follows:

§ 18–1.705–4 Certificates of competency.

(a) SBA has statutory authority to certify the competency of any small business concern as to capacity and credit. "Capacity" means the overall ability of a prospective small business contractor to meet quality, quantity, and time requirements of a proposed contract and includes ability to perform, organization, experience, technical knowledge, skills, "know-how," technical equipment, and facilities or the abilty to obtain them. Contracting officers shall accept SBA certificates of competency as conclusive of a prospective contractor's capacity and credit (see § 18–1.903–1), unless the contracting officer has substantial doubt as to the concern's ability to perform, in which case the procedures in paragraphs (f) and (g) of this section apply.

(b) In procurement where the highest competence obtainable or the best scientific approach is needed, as in certain negotiated procurement of research and development, highly complex equipment, or professional services, the certificate of competency procedure is not applicable to the selection of the source offering the highest competence obtainable or best scientific approach. However, if a small business concern has been selected on the basis of the highest competence obtainable or best scientific approach and, prior to award, the contracting officer determines that the concern is not responsible because of lack of capacity or credit, the certificate of competency procedure is applicable.

(c) If a bid or proposal of a small business concern is to be rejected solely because the contracting officer has determined the concern to be nonresponsible as to capacity or credit, the matter shall be referred to the appropriate SBA field office having the authority to process the referral in the geographical area involved. If required, guidance as to the location of the appropriate SBA field office may be obtained from an SBA representative assigned to the procurement office or the nearest SBA field office. This procedure applies only to proposed awards exceeding $2,500. For proposed awards exceeding $2,500, but not exceeding $10,000, its use is within the discretion of the contracting officer. A pre-award survey (see §18–1.905) shall be made prior to a determination by a contracting officer that a small business concern is not responsible because of a lack of capacity or credit on a proposed award of more than $10,000. Concurrent referrals of two or more bids or proposals, rejected because of lack of capacity or credit for a proposed award, shall not be made to SBA by the contracting officer. Final processing of a case, including possible issuance of certificate of competency, must be completed by SBA on each referral before the contracting officer may proceed with an additional referral on the proposed award to SBA. If a partial set-aside is involved and the bid of a small business concern on the unreserved portion is to be rejected for lack of capacity or credit and the same small business concern is entitled to consideration on the reserved portion of the set-aside if a certificate of competency is issued by the SBA, the entire quantity of the procurement (reserved and unreserved) for which that small business concern may be entitled, if competent, shall be referred to SBA and the referral papers so noted. The SBA may then certify the small business concern for the maximum quantity of the procurement for which it is eligible. The award shall be withheld until SBA action concerning issuance of a certificate of competency, or until 15 working days after the SBA is so notified, whichever is earlier, subject to the following:

(1) Under no circumstances will a referral be made to the SBA prior to a determination by the contracting officer that the bid or proposal of the small business concern is responsive. Except for procurements resulting in construction or service contracts, a bid or proposal of an otherwise eligible nonmanufacturer shall not be referred to the SBA for Certificate of Competency action unless such nonmanufacturing meets the definition of small business for preferential treatment purposes as prescribed in § 18–1.701–1(a)(2)(c).

(2) The activity performing the pre-award survey shall furnish such survey to the contracting officer. If the contracting officer determines, in accordance with § 18–1.904, that the small business concern is not responsible solely by reason of a lack of capacity or credit, he will refer the matter direct to the SBA, or he may notify the pre-award survey activity to refer the matter to the SBA, whichever is the more expeditious (e.g., where the surveying activity is substantially closer to the cognizant SBA office than the procurement office, it may be more expeditious to have the surveying activity refer the matter to the Small Business Administration). A copy of the communication referring the matter to SBA shall be forwarded to the Director of Procurement, NASA Headquarters.

(3) Upon making a determination to refer the matter to the SBA, the contracting officer shall furnish to the SBA, or to the surveying activity, whichever is consistent with the action taken under subparagraph (2) of this paragraph (c) the data prescribed in paragraph (d) of this section. The procurement office that refers the matter to the SBA shall maintain close liaison with the SBA to assure compliance with paragraph (e) of this section. If the procurement office does not hear from the cognizant SBA field office within five working days after the matter has been referred, the procurement office will contact the SBA Office to which the matter was referred to determine whether a certificate of competency is being processed. When, in accordance with subparagraph (2) of this paragraph (c), the contracting officer has requested the pre-award survey activity to refer the matter to SBA, that activity shall keep the contracting officer advised of significant developments, including the results of any inquiry to the SBA at the end of the five working day period, and any new or additional facts, learned from the SBA, that warrant reversal of the pre-award survey activity's negative finding. The NASA Small Business Advisor identified in § 18–1.704–2 shall be informed by the procuring activity Small Business Specialist, in writing, on a quarterly basis, of all certificate of competency cases initiated during a particular quarter and of the final disposition made on cases during the quarter, including the number and dollar value of certificates of competency issued during the period. The information shall include company name, item being procured, solicitation number, dollar value of the procurement, and the date the case was submitted to SBA. In addition, advice and data will be furnished for all cases where (i) the small business concern elects not to file an application for a certificate of competency, or (ii) SBA declines to issue a certificate of competency, or (iii) the purchasing activity reverses the pre-award survey activity's negative finding concerning capacity or credit, withdraws the request for the certificate of competency and makes the award. This reporting requirement shall be included in the Summary of Significant Matters related to the Small Business Program Reports Control No. 10000000029.

(4) A referral need not be made to the SBA if the contracting officer, with the approval of the Procurement Officer, certifies in writing that the award must be made without delay, includes such certificate and supporting documentation in the contract file, and promptly furnishes a copy to the SBA. Contracting officers shall, immediately upon receipt of sufficient information, make a determination concerning the responsibility of the low responsive prospective small business contractor. If a contracting officer makes a determination of nonresponsibility, and if only capacity or credit considerations are involved, he shall promptly refer to SBA for Certificate of Competency consideration unless he executes a documented certificate of urgency indicating the specific reasons why an award must be made without the delay incident to referral to SBA. Referral of a case to SBA or execution of a certificate of urgency shall not be deferred pending investigation and determination of the responsibility of other offerors.

(5) A referral need not be made to the SBA if a contracting officer determines a small business concern nonresponsible pursuant to § 18–1.903–1(e) and such determination is approved by the head of the installation or his designee.

(6) A determination by a contracting officer that a small business concern is not responsible pursuant to § 18–1.903–1 (c) and (d), must be supported by substantial evidence documented in the contract files. These factors of responsibility

are not covered by the certificate of competency procedure, but are for determination by the contracting officer, and approval by the Procurement Officer or his designee. Concurrent with the contracting officer's submission of such determination of nonresponsibility to the Procurement Officer or his designee for approval, the contracting officer shall transmit a copy of the documentation supporting the determination that a small business concern is not responsible for reasons other than deficiencies in capacity or credit to the appropriate SBA Regional Office and to the Director of Procurement, Attention: Small Business Advisor. The documentation transmitted to the SBA shall include: two copies of the solicitation, and one copy of the preaward survey findings, pertinent technical and financial information, the abstract of bids, if available, and other pertinent information which supported the contracting officer's determination of nonresponsibility for reasons other than capacity and credit. The appropriate SBA regional office receiving the documentation shall, within five working days, notify the contracting officer in writing of the SBA's intent to appeal to the head of the procuring activity or his designee with information and recommendations which would materially bear on any approval action being considered by the Procurement Officer or his designee. Within ten working days of the SBA's written notification to the contracting officer, the SBA shall present to the Procurement Officer or his designee the appeal in writing. Such appeal shall contain the basis for the SBA position, and include statements from the small business concern as to tenacity, integrity and perserverance and how deficiencies noted in the contracting officer's determination have been or will be eliminated. After consideration of the appeal, the decision by the Procurement Officer or his designee shall be final. If the contracting officer does not receive notification within five working days specified above that the SBA intends to appeal, it shall be deemed that the SBA does not intend to file such an appeal. The procedures of subparagraph (4) of this paragraph (c) apply if the award must be made without delay.

(d) It is the policy of NASA to endeavor to reach agreement with the SBA regarding the lack of capacity or credit of a small business concern. To assist the SBA and to assure that it has the benefit of the views of NASA, the SBA shall be furnished three copies of the solicitation, one copy of the pertinent drawings and specifications, the pre-award survey findings, pertinent technical and financial information, and, if available, the abstract of bids.

(e) SBA field offices will notify the contracting officer of each case where they plan to issue a certificate of competency, or are submitting a case to SBA, Washington, D.C., for approval prior to issuance of a certificate of competency, and to provide the contracting officer or his designated representative with a brief written statement citing the reasons for SBA's proposed affirmative action. Prior to final SBA action, the contracting officer will be afforded an opportunity to meet or communicate with SBA field office representatives and furnish to them new or additional information on the case. Copies of significant data developed by SBA that are pertinent to the case will be made available, upon request, to the contracting officer, or his representative, at such meeting or through correspondence. SBA case files may be examined at the meeting and pertinent notes taken by the contracting officer or his representative, but such files will not be released outside of SBA. Personnel from a procurement office, who participated in a pre-award survey of the prospective contractor shall be prepared to discuss with the SBA the basis for the pre-award findings. Every effort should be made to resolve any differences between the SBA and the NASA through a complete exchange of pre-award information developed by each agency.

(f) One of the following courses of action shall be taken subsequent to discussions or a meeting between representatives of the contracting officer and SBA field offices:

(1) If the new and additional facts presented by the SBA field office representatives so warrant, the negative determination as to capacity and credit of the apparent low bidder or offeror shall be reversed, the referral to SBA shall be withdrawn, and the contract award shall be made without the necessity for issuance of a certificate of competency by SBA. The contracting officer shall promptly inform the SBA field office of his intention to take such action and the anticipated date of contract award.

(2) If agreement cannot be reached between the SBA field office and the contracting officer and substantial doubt still exists as to the ability of the contractor to perform, the contracting officer shall request the SBA field office to suspend action to permit referral of the case to the Director of Procurement for review and possible appeal to SBA Headquarters. The contracting officer shall forward through channels on an expedited basis a complete case file to the Director of Procurement with a request that the case be considered for appeal to SBA Headquarters. This file will include the data specified in paragraph (d) of this section, SBA's rationale for proposing affirmative certificate of competency action, and the contracting officer's comments thereon. Procurement action shall be suspended until the contracting officer is informed by the Director of Procurement of the final decision in the case. If the Director of Procurement concludes that the request for certificate of competency action should be withdrawn and a contract awarded without benefit of a certificate of competency, the contracting officer will be so informed and provided written instructions on how to proceed with the procurement. If the Director of Procurement, agrees with the recommended appeal action of the contracting officer, he will request the SBA Associate Administrator for Procurement and Management Assistance, Washington, D.C., to review the proposed affirmative certificate of competency action of the SBA field office. If SBA, Washington, D.C., does not concur with the proposed affirmative certificate of competency action of its field office, it shall so inform the Director of Procurement. If SBA, Washington, D.C., concurs with the affirmative certificate of competency action proposed by the SBA field office, it shall so inform the Director of Procurement, giving reasons for its position. Within 10 working days after receipt of such notice, or such longer time as may be agreed upon, the Director of Procurement will inform the SBA Headquarters whether or not a formal appeal will be made. Such appeal will be presented to SBA Headquarters within 10 working days after the SBA has been informed that an appeal will be made, or at such longer time as may be agreed upon. The 15 day period referred to in paragraph (c) of this section shall be automatically suspended when the contracting officer requests SBA to suspend action and to forward the request to SBA Headquarters for review in accordance with this paragraph. Following an appeal, the determination made by the SBA Associate Administrator relative to certificate of competency action shall be considered final and not subject to further appeal by NASA.

(3) If agreement cannot be reached between the contracting officer and the SBA field office, the contracting officer may conclude it would not be practicable to appeal the case to the Washington SBA level nor would it be appropriate to withdraw his request for certificate of competency action. In that case, the contracting officer shall inform the SBA field office that it must issue a certificate of competency as a prerequisite to contract award. However, such action shall not be taken by the contracting officer without prior approval from the Procurement Officer.

(g) If an SBA field office fails to give a contracting officer the opportunity to refer a proposed affirmative certificate of competency action to the Director of Procurement for review and possible appeal, appeal action described in paragraph (f) of this section may be taken by the contracting officer subsequent to the issuance of a certificate of competency if he has substantial doubt as to the ability of the contractor to perform.

(h) When the contracting officer has questioned only one of the general standards of responsibility (e.g., capacity) of a small business offeror, but the SBA has declined to issue a certificate of competency, due to its findings on concerning the offeror's capability to perform under a different standard of responsibility (e.g., credit) the responsible SBA office will inform the contracting officer of the basis for its decision. The information furnished by SBA to the contracting officer will generally consist of a copy of the letter sent to the offeror in question explaining why SBA declines to issue a certificate of competency. This information will be considered by the contracting officer in making an award of the procurement.

17. Section 18–1.705–5 is revised in its entirety as follows:

§ 18–1.705–5 Contracting with the Small Business Administration.

(a) *Authority.* When the Small Business Administration (SBA) certifies to the NASA contracting officer, in accordance with Section 8(a) of the Small Business Act (15 USC 637(a)) that the SBA is competent to perform a specific contract, the contracting officer is authorized, in his discretion, to award the contract to the SBA.

(b) *Policy.* It is the policy of NASA to enter into contracts with the SBA to foster or assist in the establishment or the growth of small business concerns as designated by the SBA so that these concerns may become self-sustaining, competitive entities within a reasonable period of time. The SBA is empowered to arrange for the performance of such contracts by negotiating or otherwise letting contracts to small business concerns or others.

(c) *Procedures.*

(1) *Supplies, services and research and development.* (i) In contracts for supplies, services and research and development, it is the stated policy of the SBA to contract with only those small firms which have submitted a written business plan specifically outlining a reasonable approach to the attainment of the policy objectives of paragraph (b) of this section. This business plan, if approved by the SBA, will be the basis for NASA's consideration of participation in a Section 8(a) program for the firm. In the execution of this policy, the SBA will furnish to the Director of Procurement, NASA Headquarters or to the Procurement Officer of a particular NASA installation, when the requested procurement is of a local nature, its request for a commitment to support the approved plan. SBA requests addressed to NASA Headquarters will be coordinated with appropriate installations.

(ii) The SBA request for a commitment to support the approved plan will show at least the following information:

(*a*) The background and ownership of the firm;

(*b*) How and when the firm is expected to become a self-sustaining, competitive entity;

(*c*) The extent to which procurement assistance is needed and an identification of the requirements sought from NASA (the identification of the supplies or services which the SBA may require in connection with a small firm's business plan will be developed by the SBA representatives. This may be accomplished through liaison with appropriate procurement offices either before or after the SBA's approval of a small firm's business plan as the SBA may elect. Small business specialists and minority business specialists at NASA installations shall cooperate and assist the SBA representatives in developing identifying information for the requirements being sought from the procurement office. To the extent possible, identifying information furnished by the SBA will be definitive and include purchase descriptions and Federal stock numbers. The Small business specialist or the minority business specialist shall, when practicable and feasible, arrange for such additional assistance as may be required from procurement, technical and supply management officials in order that the development of the identifying information may be meaningful. Current and future requirements of a small firm's business plan, if identified in meaningful terms will enable NASA to relate the items to present and future procurement requirements); and

(*d*) if the firm is currently in existence, the present production capacity and related facilities and how any additional facilities needed will be provided.

(iii) In addition to considering specific requests for commitments to support the business plans submitted by the SBA in subparagraph (i) of this paragraph (c), the NASA small business specialist or other responsible individuals shall review and evaluate, on a continuing basis, all procurement requirements to determine their suitability for referral to the SBA for 8(a) consideration. Upon completion of such evaluation, a recommendation concerning award to the SBA will be made to the contracting officer. In the event the contracting officer disagrees with the recommendation, the procedure set forth in § 18–1.706–3(f) shall apply. In these evaluations consideration shall be given to:

(*a*) Availability of qualified prospective 8(a) contractors;

(*b*) Estimated total quantities of the identified items planned for procurement in the current fiscal year and, to the extent known, future fiscal years;

(*c*) Required monthly rates of production and delivery schedules;

(*d*) Items of similar complexity and nature if there are no known requirements of the specifically identified items;

(*e*) Problems encountered in prior production of the items either by the proposed contractor or other contractors;

(*f*) Impact if slippage in delivery occurs;

(*g*) Impact if items were procured historically by small business or labor surplus area set-aside; and

(*h*) Any other information concerning the items or the proposed contractor which is pertinent to the evaluation of the requested commitments.

(iv) After the SBA requested commitments have been evaluated or a specific procurement has been designated as suitable for 8(a) contracting, the cognizant contracting officer shall notify the SBA and the Director of Procurement, NASA Headquarters (Attention: Small Business Advisor). The notification will include the extent to which a Section 8(a) contract may be placed with the SBA and the time frame within which the prime and subcontract actions must be completed in order to satisfy NASA's requirements. This notification represents a firm commitment by NASA to negotiate with the SBA, provided that there is no material change in requirements, availability of funds, or other pertinent factors. In the notification to the SBA, the installation should also establish a time limit (generally not less than 30 working days after receipt of notification) within which the SBA must establish contract with the installation and initiate negotiations of the Section 8(a) contract. If negotiations with the installation procurement office have not been initiated by the SBA within the time indicated, the procurement office will notify the Director of Procurement, NASA Headquarters (Attention: Small Business Advisor) of the intent to proceed with the procurement without further regard to the Section 8(a) procedures, unless additional time is requested by the SBA and such additional time can be granted considering the urgency of the requirement.

(v) It will be the responsibility of the SBA to provide written certification, as to its competency to perform the contract, to the NASA contracting officer.

(vi) A pre-award survey of the SBA's contractor, as required by § 18–1.905–4, will not generally be requested by the NASA contracting officer. The SBA or the NASA contracting officer may request a cognizant contract administration office to assist in a review of a specific element pertaining to the SBA contractor's responsibility.

(vii) When required by § 18–3.807–3, the SBA shall secure from the prospective subcontractor cost or pricing data together with any necessary supporting certificate.

(viii) When satisfactory terms and conditions, including price, have been negotiated with the SBA's contractor, the NASA procurement office shall proceed with the award of a contract to the SBA.

(ix) For follow-on year procurements in support of the SBA requested commitment, the SBA will initiate individual requests to NASA for each ensuing proposed Section 8(a) contract. This process will permit NASA, prior to actual negotiations of follow-on Section 8(a) awards, to verify the availability of requirements, funding and other pertinent factors. It will be the responsibility of the SBA to provide certification to the cognizant NASA contracting officer, for each individual Section 8(a) contract.

(x) To assist the SBA, NASA procurement offices shall prepare two contract sets as follows:

(*a*) Prepare Standard Form 26 for use by the SBA with the SBA's contractor. The Standard Form 26 shall show "15 USC 637 (a)" in Block 13 and contain all of the information required with the exception of the following, which will be inserted by the SBA:

(*1*) Block 1, the SBA contract number;

(*2*) Block 2, the effective date;

(*3*) Block 24, the signature of the SBA's contractor;

(*4*) Block 25, the SBA contractor's date;

(5) Block 27, the signature of the SBA's contracting officer;

(6) Block 28, the name of the SBA's contracting officer; and

(7) Block 29, the date signed.

The contract shall incorporate the general provisions of Standard Form 32, including NASA Form 250, and other appropriate provisions as required, recognizing that this contract will be executed between the SBA and the SBA's contractor. The contract shall also include a clause as follows:

For the purpose of this contract, the reference to "his duly authorized representative" in the "Disputes" clause of this contract shall be deemed to refer to the NASA Board of Contract Appeals.

The contract set prepared as shown herein will be provided to the SBA at the time of distribution of the contract set prepared in accordance with subparagraph (b) of this paragraph (c).

(b) Prepare a Standard Form 26 for execution with the SBA without incorporating any general provisions of Standard Form 32. The general provisions are not applicable to the SBA. "10 USC 2304(a)(17)" shall be cited as the authority for negotiation of this contract. This contract shall include a statement as follows:

It is agreed that the provisions of the "Termination for Convenience," "Changes," "Disputes," and "Default" clauses which are included in the contract between the SBA and its Contractor shall be invoked in appropriate cases when requested by the NASA Contracting Officer. If the SBA does not agree with the NASA Contracting Officer's request, the case shall be referred to the Director of Procurement, NASA Headquarters, for decision.

(xi) Unless otherwise agreed upon, the contract between the SBA and NASA shall provide that performance of contract administration functions, including payment, under the contract between the SBA and the SBA's contractor shall be the responsibility of the cognizant NASA procurement office subject to the authority to redelegate performance of such services to other Government agencies as provided for in Part 18–51.

(xii) The execution and distribution of procurement documents by the cognizant NASA procurement office shall be in accordance with Part 18–50. The procurement office shall accomplish internal NASA distribution of both the prime contract and the subcontract, and provide the SBA with a duplicate original copy of the executed prime contract and such additional authenticated conformed or reproduced copies as requested by the SBA. The SBA shall provide the NASA procurement office with two duplicate original copies of the executed subcontract and such additional authenticated, conformed or reproduced copies as requested by the procurement office for internal NASA distribution.

For purposes of fund obligation and payment the NASA contracting officer shall ensure that the NASA paying office identified in the contract is provided a signed copy of each contract. In addition a conformed copy of each contract is to be provided the Procurement Office (DK–2), NASA Headquarters.

(2) *Construction.*

(i) In contracts for construction, it is the stated policy of the SBA to contract with only those small firms which have been approved by the SBA as supporting the policy objectives of § 18–1.705–5(b). In the execution of this policy, the SBA will furnish to the Director of Procurement, NASA Headquarters, or to the Procurement Officer of a particular NASA installation when the requested procurement is of a local nature, its request for a commitment(s) showing at least the following information:

(a) The identification of the SBA's contractor(s) and the capabilities and qualifications of the contractor(s) to accomplish various categories of maintenance, repair, alteration and construction work in such specific work project categories as mechanical, electrical, heat and air conditioning, demolition, building, painting, paving, earth work, water front work or general construction work;

(b) The total extent to which procurement assistance is needed and an individual identification of the estimated dollar value in each category in which the SBA's contractor(s) have capabilities; for example, electrical up to $100,000, mechanical up to $100,000;

(c) Any other information concerning the capabilities of the proposed contractor(s) which would be pertinent to the evaluation of the requested commitments.

(ii) The Procurement Office, NASA Headquarters (Attention: Small Business Advisor) will coordinate the evaluation of the SBA's request for a commitment(s) it receives with installation procurement offices, to determine whether or to what extent NASA has proposed work projects for which funding is available, in those categories for which the SBA has indicated its contractors have capabilities to perform. In addition, the NASA Small Business Specialist, or other responsible individual, shall review on a continuing basis, all construction procurement requirements to evaluate their suitability for referral to the SBA for 8(a) consideration. Upon completion of such evaluation, recommendation concerning award to the SBA will be made to the contracting officer. In the event the contracting officer disagrees with the recommendation, the procedure set forth in § 18–1.706–3(f) shall apply. In these evaluations consideration shall be given to:

(a) The extent to which work project(s) of the type requested by the SBA are planned for procurement in the current fiscal year and, to the extent known, future fiscal years;

(b) Required performance schedule(s);

(c) Work project(s) of similar complexity and nature if there are no known work project(s) of the specific type requested;

(d) Problems encountered in prior work project(s) of the type requested;

(e) Impact if slippage occurs in the performance schedule;

(f) Impact if the work project(s) was procured historically by small business set-aside; and

(g) Any other information concerning the work project(s) or the contractor which is pertinent to the evaluation of the requested commitment(s).

(iii) After the SBA requested commitments have been evaluated or a specific NASA construction requirement has been designated as suitable for 8(a) contracting, the cognizant contracting officer shall notify the SBA and the Director of Procurement (NASA Headquarters (Code DK–2)). The notification shall contain information with regard to the work project(s) as follows:

(a) A summary of the scope of the proposed work;

(b) Detailed Government cost estimates;

(c) Plans and specifications;

(d) Required performance schedules; and

(e) Any other pertinent and reasonably available data.

This notification represents a firm commitment by NASA to negotiate with the SBA, provided there is no material change in requirements, availability of funds, or other pertinent factors. In the notification to the SBA the installation should also establish a time limit (generally not less than 30 wirking days after receipt of notification) within which the SBA must establish contact with the installation and initiate negotiations of the Section 8(a) contract. If negotiations with the installation procurement office have not been initiated by the SBA within the time indicated, the procurement office will notify the Procurement Office, NASA Headquarters (Attention: Small Business Advisor) of the intent to proceed with the procurement without further regard to the Section 8(a) procedures, unless additional time is requested by the SBA and such additional time can be granted considering the urgency of the work project.

(iv) Provisions of the Miller Act with respect to performance and payment bonds do not apply to the prime contract between NASA and the SBA, but do apply to the contract between the SBA and its contractor.

(v) When required by § 18–3.807–3, the SBA shall secure from the prospective subcontractor cost or pricing data together with any necessary supporting certificate.

(vi) It will be the responsibility of the SBA to provide written certification, as to its competency to perform the contract, to the contracting officer.

(vii) When satisfactory terms and conditions, including, price, have been negotiated with the SBA's contractor, the NASA procurement office shall proceed with the award of a contract to the SBA.

(viii) To assist the SBA, NASA procurement offices shall prepare two contract sets as follows:

(a) Prepare appropriate contractural documents for use by the SBA with the SBA's contractor. These documents shall be completed, except for signatures and award information (see § 18–1.705–5(c)(1)(x)(a)), based on information requested or furnished by the SBA. This contract shall incorporate the mandatory general provisions and standard forms as required and also shall include a statement as follows:

For the purpose of this contract, the reference to "his duly authorized representative" in the "Disputes" clause shall be deemed to refer to the NASA Board of Contract Appeals.

(b) Prepare Standard Form 19 or Standard Form 23 or other appropriate forms for execution with the SBA without incorporating any general provisions. The general provisions are not applicable to the SBA. "10 USC 2304(a)(17)" shall be cited the authority for negotiations of this contract. This contract shall include a statement as follows:

It is agreed that the provisions of the "Termination for Convenience," "Changes," "Differing Site Conditions," "Default-Damages for Delay-Time Extensions," "Suspension of Work," "Disputes," and "Payments to Contractor" clauses which are included in the contract between the SBA and its Contractor shall be invoked in appropriate cases when requested by the NASA Contracting Officer. If the SBA does not agree with the NASA Contracting Officer's request, the case shall be referred to the Director of Procurement, NASA Headquarters, for decision.

(ix) Contract administration functions under the contract shall be in accordance with Part 18–51.

(x) The execution and distribution of procurement documents shall be in accordance with Part 18–50 and as set forth in § 18–1.705–5(c)(1)(xii) herein.

18. Section 18–1.706–1(d) is revised to read as follows:

§ 18–1.706–1 General.

* * * * *

(d) None of the following is, in itself, sufficient cause for not making a set-aside:

(1) A large percentage of previous procurements of the item has been placed with small business concerns;

(2) A period of less than 30 days from date of issuance of solicitations is prescribed for the submission of offers;

(3) The procurement is classified;

(4) Small business concerns are considered to be receiving a fair proportion of total contracts for supplies or services;

(5) A class set-aside of the item or service concerned has been made at some other procurement office; or

(6) The item will be described by "brand name or equal."

19. Sections 18–1.706–3(c), 18–1.706–3(e), and 18–1.706–3(f) are revised to read as follows:

§ 18–1.706–3 Review, withdrawal, or modification of set-asides or set-aside proposals.

* * * * *

(c) If the contracting officer disapproves the recommendation of the small business specialist, the case shall be promptly referred to the SBA representative (if one is assigned and available) for his review. The SBA representative will either concur with the decision of the contracting officer or appeal the case in accordance with the provisions of paragraph (d) of this section. No further appeal action will be taken by the small business specialist. If an SBA representative is not assigned or available, resolution of disagreements on set-asides between the small business specialist and the contracting officer shall be accomplished in accordance with the provisions of paragrapr (f) of this section.

* * * * *

(e) Any procurement action which has been appealed by the SBA representative shall be suspended pending the decision of the head of the installation or his designee. If the decision sustains the contracting officer, and if the SBA representative requests further suspension in accordance with paragraph (d) of this section, the suspension shall continue until (1) the SBA appeal is deemed to have been withdrawn (as provided in paragraph (d) of this section), or (2) the matter is determined by the Administrator of NASA. However, this procedure shall not apply to any particular procurement action which the contracting officer determines must be initiated without delay in order to protect the public interest, and as to which he inserts in the contract file a signed statement or justification. The contracting officer shall promptly give written notice to the SBA representative of any such procurement action initiated.

(f) In those cases where an SBA representative is not assigned or available, and the contracting officer disagrees with the recommendation of the small business specialist regarding a small business set-aside for an individual procurement or class of procurements or a portion thereof and so notifies the small business specialist in writing, or if the small business specialist disagrees with the contracting officer regarding a withdrawal or modification of a set-aside determination, the small business specialist may appeal in writing to the Procurement Officer for decision. A memorandum of the decision by the Procurement Officer shall be placed in the contract file. After receipt of a decision from the Procurement Officer, which shall be final, and if the decision approves the action of the contracting officer, the small business specialist shall forward for information and management purposes complete documentation of the case to the Director of Procurement, (Attn: Small Business Advisor). Documentation of the case transmitted to the Director of Procurement shall include, as a minimum, a copy of the IFB or RFP, a list of those solicited, indicating if the invitee is small or large business by SBA definition, copies of the reasons, in writing, for or against set-aside or withdrawal or modification of a set-aside submitted by the small business specialist and the contracting officer, a copy of the Procurement Officer's decision and a complete abstract of all bids or proposals received indicating the successful bidder together with any other material considered by the Procurement Officer in arriving at his decision. The small business specialist's transmittal letter or memorandum will contain an affirmative statement that the enclosures constitute the complete file reviewed and considered by the Procurement Officer in making his decision.

* * * * *

20. Section 18–1.707–2 is revised to read as follows:

§ 18–1.707–2 Small business subcontracting program.

The Government's small business subcontracting program requires Government prime contractors to assume an affirmative obligation with respect to subcontracting with small business concerns. These obligations are in addition to those required by the minority business enterprise subcontracting program (§ 18–1.332) and the labor surplus area subcontracting program (§ 18–1.805). In contracts which range from $5,000 to $500,000, the contractor undertakes the obligation of accomplishing the maximum amount of small business subcontracting which is consistent with the efficient performance of the contract. This undertaking is set forth in the contract clause prescribed in § 18–1.707–3(a). In contracts which may exceed $500,000, the contractor is required, pursuant to the clause set forth in § 18–1.707–3(b), to undertake a number of specific responsibilities designed to ensure that small business concerns are considered fairly in the subcontracting role and to impose similar responsibilities on major subcontractors. (The liaison officer required by the latter clause also may serve as liaison officer for labor surplus area matters.)

21. Section 18–1.707–4 is revised to read as follows:

§ 18–1.707–4 Responsibility for reviewing the subcontracting program.

(a) *Prime contractor's program.* To ensure compliance with the provisions of the clauses set forth in § 18–1.707–3, the small business specialist at the NASA installation administering the contract is responsible for assisting the contracting officer in reviewing and determining the adequacy of a contractor's small business subcontracting program. Where the preponderance of contracts in a contractor's plant is with the Department of Defense or administration of the contract has been delegated to an agency of the Department of Defense, the reviews conducted by the cognizant Military Department or the Defense Supply Agency will be used. The Small Business Advisor, NASA Headquarters, will receive a copy of each subcontracting program review report. Adverse reports involving NASA contractors will be forwarded to the Small Business Specialist at the NASA Installation with primary interest, for appropriate action. In those cases where NASA conducts the review, reports of findings shall be forwarded to the

Small Business Advisor, NASA Headquarters, and any deficiencies in the contractor's small business subcontracting program will be brought to the attention of the contractor's designated small business liaison officer by the reviewing activity, with a request for appropriate corrective action. Appropriate followup action will be taken as necessary, by the reviewing activity.

(b) *Subcontractor's program.* In those instances in which subcontractors are required to establish such a program in accordance with the clause in § 18–1.707–3 (b) and (c), reviews of the subcontractor's program shall be made in the same manner as the review of the prime contractor's program.

(c) *Procedures for conducting reviews.*

(1) *Periodic Reviews.* The reviewing activity will establish the date for a periodic review by consulting with the contractor or subcontractor and the SBA. Such consultation shall precede the review by a reasonable period of time. Normally, surveillance reviews will be accomplished in accordance with time schedules to be established by the reviewing activity.

(2) *SBA participation.* The DOD or NASA reviewing official shall invite a representative of the appropriate SBA district office to participate in all periodic reviews and will make all appropriate records available for the information of that representative. The SBA representative will be provided an opportunity to comment on and make recommendations concerning the review. (See paragraph (d) of this section.) The review shall include evaluation of the extent of compliance with both the mandatory program (§ 18–1.707–2) and the SBA Voluntary Referral Program; but, the requirements of the Voluntary Program shall not be used as a basis for determining the adequacy or inadequacy of a contractor's performance under the mandatory program. Should the SBA desire information on the contractor's program prior to the meeting, such request will be coordinated prior to the program review.

(3) *Evaluation of contractor's small business subcontracting program.* The following factors and areas shall be considered in the evaluation of a contractor's small business subcontracting program:

(i) Has a Liaison Officer and/or Administrator been appointed?

(*a*) Is liaison maintained with concerned Government agencies?

(*b*) Is supervision maintained in accordance with the Small Business Subcontracting Program clause?

(ii) Are the contractor's small business subcontracting policies and procedures current and consistent with applicable regulations?

(iii) Does the contractor hold small business program training meetings or otherwise orient concerned personnel to explain policies, procedures, problems, attitudes, and accomplishments?

(iv) How does the contractor's management provide appropriate support and surveillance to assure effectiveness of his small business program? Is the corrective action taken when deficiencies are observed?

(v) What are the principal Government programs and subprograms subject to the small business contracting clause?

(vi) Does the contractor maintain records consistent with procuring agency regulations?

(*a*) On business sizes of subcontractors?

(*b*) On solicitation of, and awards to, small business?

(*c*) Of reasons small business did not receive awards?

(vii) Analyze statistical data maintained by the contractor as required in applicable small business subcontracting procurement regulations. If statistical data warrant, review sample procurements and comment on the findings.

(viii) How do changes in the ratio of small to large business participation in subcontracting reflect current changes in procurement volume and product mix?

(ix) Does the contractor evidence consideration of small business potentials in manufacture or purchase decisions? Does it include a formal breakout program? If so, where located? Is it effective?

(x) What is the extent of the contractor's efforts to place with small business concerns developmental work likely to result in later production opportunities?

(xi) Is there evidence that the contractor affords equitable opportunities for small business to compete?

(xii) When no small business was to be solicited on bids expected to exceed $10,000 and there was a requirement for contracting officer's consent to the subsequent order, was he notified prior to solicitation of bids?

(xiii) Is the appropriate small business subcontracting program flowdown clause included in subcontracts offering substantial small business subcontracting opportunity?

(xiv) What is the policy concerning advance and progress payments? Does it extend the same benefits to its small subcontractors as it receives from the purchasing agency?

(xv) Does the contractor cooperate with the contract administration office in studies and surveys of his small business subcontracting policies and procedures?

(xvi) Does the contractor furnish the contracting officer with notification of awards of subcontracts which contain the requirement for establishing a small business subcontracting program?

(xvii) How is small business considered and made a part of proposals for Government prime contracts?

(xviii) What information media does the contractor utilize for the promotion of interest in small business subcontracting?

(xix) What provisions had the contractor made to:

(*a*) Encourage small business participation in his programs?

(*b*) Facilitate introduction and establishment of additional small firms?

(xx) What other uncommon or unique efforts does the contractor make to:

(*a*) Implement the small business subcontracting program?

(*b*) Participate in or support local, area or national activities concerning the small business community?

(*c*) Assist small subcontractors by offering, within reason, procurement, technical, or managerial counseling to small firms?

(*d*) Inform the small business community of opportunities to compete for the award of business?

(xxi) Does the contractor submit the appropriate reports?

(*a*) Are they on schedule?

(*b*) Are they accurate?

(xxii) Review past deficiencies brought to the attention of the contractor and determine if corrective action has been taken. List the deficiencies along with the corrective action.

(d) *Reports.* (1) Reports resulting from the stated subcontracting program DDD/SBA review are intended to reflect a coordinated view of the contractor's program and that no additional reports will be required for either the Mandatory Subcontracting Program or the Voluntary Referral Program. Within 10 days after receipt of comments and recommendations from SBA, or as soon thereafter as possible, a detailed report evaluating the contractor's small business subcontracting program and a narrative summary thereof, will be prepared by the reviewer. The SBA participant normally is expected to provide his observations, comments and recommendations, in writing, to the reviewing official, within 10 days after completion of the review, or at such other time as may be agreed upon. In preparing the report, the reviewing official shall take cognizance of such observations, recommendations and comments by the SBA participant. The report will indicate the extent of contractor compliance with all contractual provisions pertaining to the assistance rendered to small business firms. Areas of deficiency or superior performance of the contractor will be noted in the narrative summary; and when improvement is necessary, the reviewer will make appropriate recommendations to the cognizant contract administration office, or to the NASA contracting officer when the review has been conducted by NASA, or as the result of a specific NASA request, and to the company. The preparation of an objective and current evaluation report which precisely describes the effectiveness of a contractor's program requires continuous and intensive surveillance. Factors and areas to be considered in the evaluation of a contractor's small business and labor surplus area subcontracting programs are set forth above. Additional factors and areas may be considered by the reviewer, as appropriate.

(2) Distribution of copies of the review report prepared by the reviewing official will be as follows:

(i) The narrative summary of the findings or recommendations will be sent to the contractor's small business liaison officer.

(ii) Copies of the narrative summary and the detailed evaluation report will be provided to the SBA participant.

(iii) One copy of the detailed report, and narrative summary, for these cases where major deficiencies are noted will be forwarded to the Small Business Advisor's office, as indicated in § 18–1.704, for review and appropriate action.

(iv) Copies of the detailed report and narrative summary will be made available to procuring contracting officers and small business specialists, upon request.

(v) The original of all detailed reports and narrative summaries will be maintained in the office of the appropriate reviewing official.

(3) The program clause prescribed in § 18–1.707–3(b) requires submission of NASA Form 524 by the contractor as directed on the form. Pursuant to this § 18–1.707–4 and the terms of the subcontracts, the subcontractor will submit the original form directly to the Procurement Office, NASA Headquarters. It should be noted that the specific instructions on NASA Form 524 require the reporting organization to report statistics on the net dollar amount of subcontracting commitments to both small and large businesses for NASA contracts and purchases. This reporting requirement is not to be confused with the recordkeeping requirement for quarterly review purposes contained in the § 18–1.707–3(b) clause which establishes an over $10,000 cutoff for maintaining records by the prime contractor.

22. A new Subpart 18–1.11 is added.

Subpart 18–1.11—Qualified Products

AUTHORITY: The provisions of this Subpart 18–1.11 issued under 42 U.S.C. 2473(b)(1).

§ 18–1.1100 Scope of subpart.

This subpart sets forth policies and procedures to be followed only in the use of Qualified Products Lists in the procurement of microcircuits as authorized by NASA Management Instruction 5320.4, "NASA Microelectronics Reliability Program."

§ 18–1.1101 General.

(a) It is sometimes necessary to qualify products in advance of any procurement action to determine if a product is available that will meet specification requirements. In such cases, the specification may require qualification of the product and, in some instances, prior Government approval of manufacturing and inspection processes and equipment as a condition to qualification. Qualification is the entire process by which products are obtained, examined, and tested for compliance with specification requirements, and then identified on a list of qualified products. Qualification is performed in advance and independent of any specific procurement action.

(b) A Qualified products list (QPL) identifies the specification, manufacturer or distributor, item, trade name, place of manufacture, test and evaluation reports involved, and any special status ratings (See § 18–1.1107–1(d)). Suppliers whose products have successfully passed qualifications and who furnish evidence thereof are eligible for award although not yet included on the QPL.

(c) NASA NHB 5300.4(3F), "Qualified Products Lists Requirements for Microcircuits," is the basic instruction concerning establishment of qualified products lists providing uniform procedures and safeguards for microcircuit procurement when qualification is required. Copies of NHB 5300.4(3F) may be purchased by the public from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

§ 18–1.1102 Responsibility for qualification.

A Federal, Military, or NASA Headquarters approved specification is the only medium for establishing a requirement for qualification. The NASA installation that prepared the specification, and identified in a detail specification, is responsible for qualification.

§ 18–1.1103 Justification for inclusion of qualification requirements in procurements in support of the NASA microelectronics reliability program.

(a) NASA Headquarters Office of Reliability and Quality Assurance is responsible for justifying, determining, and approving NASA's need for inclusion and continued usage of qualification requirements in specifications under the NASA Microelectronics Reliability Program.

(b) Prior to the procurement of Class "A" microcircuit, as defined in NHB 5300.4 (3F), the determination required by paragraph 3F103–2 of that handbook shall be made in writing by an authorized NASA field installation official.

(c) Qualification requirements may be included in a specification when one or more of the following conditions exist.

(1) The time required to conduct one or more of the examinations and tests to determine compliance with all the technical requirements of the specification will exceed 30 days (720 hours). Use of this justification should advance product acceptance by at least 30 days (720 hours));

(2) Quality conformance inspection would require special equipment not commonly available; or

(3) It covers life survival or emergency life saving equipment.

§ 18–1.1104 Availability of lists.

Qualified products lists are intended for the use of the Government, contractors, subcontractors, prospective bidders, and suppliers. Lists may be obtained from the NASA installation identified in the particular specifications by prospective bidders or suppliers who require these lists in furnishing supplies or services to the Government or its contractors. Lists are also available to the public upon request. When a person is provided with, or given access to, a qualified products list, he should be advised that:

(a) The list has been prepared for use by or for the Government in the procurement of products covered by the specification and such listing of a product is not intended to and does not connote endorsement of the product by the National Aeronautics and Space Administration;

(b) All products listed have been qualified under the requirements for the product as specified in the latest effective issue of the applicable specification;

(c) The list may be revised or amended as necessary, and is subject to change without notice;

(d) The listing of a product does not release the supplier from compliance with the specification requirements; and

(e) Use of the information for advertising or publicity purposes is permitted, provided that such publicity or advertising does not state or imply that the product is the only product of that type so qualified, or that the line is the only line certified, or that the National Aeronautics and Space Administration in any way recommends or endorses the manufacturer's product or line.

§ 18–1.1105 Opportunity for qualification.

(a) Upon determination that a product is to be covered by a qualified products list, manufacturers shall be urged to submit their products for qualification and where possible shall be given sufficient time to arrange for qualification prior to issuance of the initial invitation for bids or request for proposals for the item as a qualified product. Appropriate notice of such determination shall be furnished to the U.S. Department of Commerce, Commerce Business Daily, 433 West Van Buren Street, Chicago, Illinois 60607, requesting publication in five consecutive issues of the daily "Synopsis of U.S. Government Proposed Procurement, Sales and Contracts Award". The publicity given to the requirement for qualification testing shall include the following:

(1) An intention to establish a qualified products list for a product;

(2) The specification number and nomenclature of the product, and the name and address of the office to which the request for qualification should be submitted; and

(3) Notice that in making future awards consideration shall be given only to such products as have been accepted for inclusion in a qualified products list.

(b) Lists shall always be kept open for inclusion of products from additional suppliers.

§ 18–1.1106 Clarification of qualification requirements.

When there is any question concerning qualification requirements in a specification, the NASA field installation that prepared the specification will furnish clarification when requested by the NASA installation procuring the product.

§ 18–1.1107 Procurement of qualified products.

§ 18–1.1107–1 General.

(a) Except as provided in paragraph (d) of this section, whenever qualified products are to be procured by the Government as end items, only bids or proposals offering products which are

qualified or which have been qualified for listing on the applicable Qualified Products List at the time set for opening of bids or award of negotiated contracts shall be considered in making awards.

(b) Whenever a qualified product is to be procured by a prime contractor as a component of an end item, the prime contractor shall be required to furnish a product which has been tested and qualified for inclusion in the applicable Qualified Products List by the time of award of the subcontract. Delay resulting from the prime contractor awaiting qualification approval by the Government of a component shall not constitute excusable delay when a previously qualified component could have been procured in time to meet the end item delivery schedule.

(c) Procurements involving qualified products shall be governed by subparagraphs (1) through (4) of this paragraph (c).

(1) Synopses of proposed procurements shall be published in accordance with § 18–1.1003, promptly upon receipt of purchase requests.

(2) The maximum time consistent with delivery requirements shall be allowed between issuance of the solicitation and the opening of bids or the award of a negotiated contract. As a minimum, however, contracting officers shall allow 30 calendar days between the date of issuance and opening (award, in the case of negotiated contracts), provided that periods of less than 30 days may be set in cases of urgency when the justification for a shorter period is set forth in writing and made a part of the procurement file. In appropriate cases, advance notice of procurement involving qualified products may be given suppliers through the use of pre-invitation notices. Such notices shall identify the specification requiring qualification.

(3) In procuring qualified products by formal advertising, invitation for bids will be distributed to suppliers in the same manner as if a qualified product were not involved, and will not be restricted to suppliers whose products have been qualified.

(4) Contracting officers shall forward requests from suppliers concerning qualification of products and certification of manufacturing lines, when required to the NASA installation which prepared the specification.

(d) Where a small business, otherwise eligible for award, has been placed in a special status on a QPL (See NHB 5300.4 (3F)) established as a part of the NASA Microelectronics Reliability Program, and the contracting officer has determined that the small business does not appear to have the capacity to perform, the Certificate of Competency procedures in § 18–1.705–4 are applicable and referral to SBA must be made.

§ 18–1.1107–2 Contract provisions.

(a) When qualified end products are to be procured by the Government, insert the following provision in the solicitation:

NOTICE—QUALIFIED END PRODUCTS (JUNE 1972)

Awards for any end items which are required to be qualified products will be made only when such items have been tested and are qualified for inclusion in a Qualified Products List identified below (whether or not actually included in the list) at the time set for opening of bids, or the time of award in the case of negotiated contracts.

The offeror shall insert the item name and the test number (if known) of each qualified product in the blank spaces below.

Item Name	Test No.

Offerors offering products which have been tested and qualified, but which are not yet listed, are requested to submit evidence of such qualification with their bids or proposals, so that they may be given consideration. If this is a formally advertised procurement, any bid which does not identify the qualified product being offered, either above or elsewhere in the bid, will be rejected. If this is a negotiated procurement the evidence of qualification shall be submitted prior to award.

Any change in location or ownership of the plant, at which a previously approved product is, or was, manufactured requires re-evaluation of the qualification. Any changes in product design, material, processes, control, equipment, or quality control documentation shall require re-evaluation if required by relevant specifications. Such re-evaluation must be accomplished prior to the bid opening date in the case of advertised procurements and prior to the date of award in the case of negotiated procurements. Failure of offerors to arrange for such re-evaluation shall preclude consideration of their offers.

Contracting officers shall identify, following the above notice, each Qualified Products List involved and give the name and address of the office, as identified in the specification, with which manufacturers should communicate.

(b) When qualified products are to be procured as components of end items, insert the following provision in the solicitation and the resulting contract.

QUALIFIED PRODUCTS—COMPONENTS (JUNE 1972)

When any of the end items which are to be supplied to the Government by the Contractor will contain one or more components which are required by the applicable specification to be qualified products, such components shall have been tested and shall be qualified for inclusion in the Qualified Products Lists (whether or not actually included in the List) at the time of award of any subcontract by the Contractor for such components, or, in the event the Contractor plans to manufacture such components himself, shall have been so tested and have so qualified before the Contractor begins to manufacture such components for performance of this contract (not before manufacture of the prototype, preproduction model, or first article, for qualification testing). Unless required for interchangeability or compatibility, the Contractor shall not cite brand names from any Qualified Products List in any subcontract solictation, but shall refer to the pertinent Government specifications so that optimum competition may be obtained. Delay resulting from the Contractor awaiting qualification approval by the Government of a component shall not constitute excusable delay when a previously qualified component could have been procured in time to meet the end item delivery schedule.

Any change in location or ownership of the plant at which a previously approved product is, or was, manufactured requires re-evaluation of the qualification. Any changes in product design, material, processes, control, equipment, or quality control documentation shall require re-evaluation if required by relevant specifications. Such re-evaluation must be accomplished prior to the award of any subcontract by the Contractor for such components or prior to the beginning of manufacture if the Contractor manufacturers such components himself.

(c) When qualified products are to be procured, insert the following provision in the invitation for bids or solicitation and the resulting contract:

PRODUCT REMOVAL FROM QUALIFIED PRODUCTS LIST (JUNE 1972)

If, during the performance of this contract, the product being furnished is, for any reason, removed from the Qualified Products List, the Government may terminate this contract for default pursuant to the clause of this contract entitled, "Default," in the case of fixed price contracts, or "Termination" in the case of cost-reimbursement type contracts.

§ 18–1.1107–3 Effect of debarment or suspension.

Notwithstanding any other provision of this Subpart, the inclusion of a product on the qualified lists may be denied, and the qualification of a listed product may be withdrawn, by the NASA installation concerned, without notification to the manufacturer, if the name of the manufacturer appears on the lists of debarred or ineligible bidders which are maintained pursuant to Subpart 18–1.6. With reference to Type B listings, the provisions of this section shall be applicable only if the qualified product is in the category prescribed by the Secretary of Labor (See § 18–1.603).

§ 18–1.1108 Waiver of qualification requirements.

When procuring a product under a specification which includes qualification requirements either for the end item or for components of the end item, such qualification requirements can be waived by the NASA installation making the procurement. A notice, issued by the NASA installation conducting the procurement, directing a waiver of the qualification requirement, constitutes adequate authorization for waiver of product qualification requirements. Where waivers have been granted, solicitations shall specifically indicate that the qualification requirement is inapplicable. Such information shall also be included in any synopsis of the procurement.

§ 18–1.1109 Inadequate competition.

(a) *Presolicitation.* In connection with procurement of a qualified product as an end item, the contracting officer shall review the applicable Qualified Products List prior to solicitation to ascertain

whether the number of sources is adequate for competition. If, in the opinion of the contracting officer, the number of sources is inadequate, action shall be taken as prescribed by this paragraph (a) unless he already has the necessary information.

(1) The contracting officer shall request the NASA installation that prepared the specification to provide information concerning the status of tests on additional products, including the anticipated dates when such tests will be completed so that opening of bids or submission of proposals may be so scheduled as to allow completion of the tests.

(2) If no qualification tests are being conducted or contemplated, the contracting officer shall further request the NASA installation that prepared the specification to advise whether a means of quality assurance other than qualification approval may be substituted in the procurement.

(b) *Post-Solicitation.* The contracting officer shall advise the NASA installation preparing the specification of the name and address of any concern which requested copies of the solicitation but was not included on the Qualified products list. The NASA installation preparing the specification may then attempt to interest such concerns in becoming qualified.

§ 18–1.1110 Reporting nonconformance with specification requirements.

If a supplier on the Qualified Products List repeatedly submits products not meeting specification requirements for inspection, resubmits products previously rejected without correcting the defects, or is otherwise unsatisfactory in the performance of contracts, he shall be reported to the NASA installation that prepared the specification for a determination as to whether the supplier's product shall be removed from the lists.

§ 18–1.1111 Misuse of qualified products list information.

Misuse of qualified products list information, such as for advertising or publicity purposes contrary to that permitted in § 18–1.1104(e), shall be reported promptly to the preparing activity.

23. Sections 18–1.1500 and 18–1.1501 are revised to read as follows:

§ 18–1.1500 Scope of Subpart.

This subpart applies to contracts for supplies and services other than for (a) the construction, alterations, or repair of buildings, bridges, roads, or other kinds of real property, (b) research and development, or (c) contracts to be awarded on a cost-reimbursement basis (see § 18–3.405). It does not preclude the use of appropriate option provisions in such contracts.

§ 18–1.1501 Definition of option.

As used in this subpart, an *option* is a provision in a contract under which, for a specified time, the Government may elect to purchase, at an established price or at a price that can be established by reference to some specific method of calculation which will make the price certain, additional quantities of the supplies or services called for by the contract, or may elect to extend the period of performance of the contract.

24. Section 18–1.1502 is revised to read as follows:

§ 18–1.1502 Applicability.

* * * * *

(b) Option provisions and clauses shall not be included in contracts when—

(1) The supplies or services being purchased are readily available on the open market;

(2) The contractor would be required to incur undue risks: e.g., the price or availability of necessary materials or labor is not reasonably foreseeable;

(3) An indefinite quantity contract or requirements contract is appropriate except that options for continuing performance may be used in such contracts;

(4) Market prices for the supplies or services involved are likely to change substantially; or

(5) The option quantities represent known firm requirements for which procurement funds are available unless (i) the basic quantity is a learning or testing quantity and there is some uncertainty as to contractor or equipment performance and (ii) realistic competition for the option quantity is impracticable once the initial contract is awarded.

(c) When options are to be evaluated pursuant to § 18–1.1503(d), the total of the basic and option periods shall not exceed five years in the case of services, and the total of the basic and option quantities shall not exceed the requirements for five years in the case of supplies.

25. Section 18–1.1503 is revised to read as follows:

§ 18–1.1503 Procedures.

* * * * *

(b) Except as provided in paragraphs (c) and (d) of this section, solicitations containing option provisions shall state that evaluation will be on the basis of the quantity to be awarded exclusive of the option quantity.

(c) When it is anticipated that the Government may exercise the option at time of award, the solicitation shall include an Evaluation of Options provision substantially as follows:

EVALUATION OF OPTIONS

If the Government elects to exercise an option simultaneously with award, bids or proposals will be evaluated for purposes of award on the basis of the total price for the basic quantity and the option quantity exercised with award.

(d) In firm fixed price contracts, the option quantity may be considered in the evaluation for award if, before issuance of the solicitation, it has been determined at a level higher than the contracting officer that:

(1) There is a known requirement which exceeds the basic quantity to be awarded, but either (i) the basic quantity is a learning or testing quantity and there is some uncertainty as to contractor or equipment performance, or (ii) due to the unavailability of funds, the option cannot be exercised at the time of award of the basic quantity *provided* that in this latter case there is reasonable certainty that funds will be available thereafter to permit exercise of the option; and

(2) Realistic competition for the option quantity is impracticable once the initial contract is awarded and hence it is in the best interests of the Government to evaluate options in order to eliminate the possibility of a "buy-in" (§ 18–1.311). This determination shall be based on factors such as, but not limited to, substantial startup or phase-in costs, superior technical ability resulting from performance of the initial contract, and long preproduction lead time for a new producer.

In such cases, the solicitation shall contain an Evolution of Options provision substantially as follows:

EVALUATION OF OPTIONS

A. Bids and proposals will be evaluated for purposes of award by adding the total price for all option quantities to the total price for the basic quantity. Evaluation of options will not obligate the Government to exercise the option or options.

B. Any bid or proposal which is materially unbalanced as to prices for basic and option quantities may be rejected as non-responsive. An unbalanced bid or proposal is one which is based on prices significantly less than cost for some work and prices which are significantly overstated for other work.

(e) Solicitations which allow the offer of option quantities at unit prices which differ from the unit prices for the basic contract quantities shall also state that varying prices may be offered for the option quantities depending on the quantities actually ordered and the date or dates when ordered. However, if the solicitation contains an Evaluation of Options provision pursuant to paragraphs (c) and (d) of this section, it shall also specify the price at which the options will be evaluated (e.g., highest option price offered or option price for specified quantities or dates).

(f) Where exercise of the option would result in increased quantities of supplies, the option may be expressed in terms of (1) percentage of specific contract line items, (2) a number of additional units of specific contract line items, or (3) additional numbered line items identified as the option quantity with the same nomenclature as line items initially included in the contract. Where exercise of the option would result in an increase in the performance of services by the contractor, the option may similarly be expressed in terms of percentages, increase in specific line items, or additional numbered line items, expressed in terms of the units of work initially used in the contract such as man hours, man years, square feet, pounds or tons handled. Where exercise of the option would result in an extension of duration of the contract, the option may be expressed in terms of an extended terminal date or

of an additional time period, such as days, weeks, or months.

26. Subpart 18–1.50 has been revised in its entirety as follows:

Subpart 18–1.50—Integration of Quality Requirements Into NASA Procurements

§ 18–1.5000 Scope of subpart.

This subpart sets forth procurement procedures for implementing the quality assurance policies of NASA Policy Directive 5300.7, "Basic Policy for Reliability and Quality Assurance", and detailing the application of the following NASA Reliability and Quality Assurance Publications:

(a) "Quality Program Provisions for Aeronautical and Space System Contractors" (NHB 5300.4(1B)).

(b) "Inspection System Provisions for Suppliers of Space Materials, Parts, Components, and Services" (NHB 5300.4 (1C)).

(c) Standards in Volume 3 of the NHB 5300.4 series.

§ 18–1.5001 Policy.

(a) Quality is a factor which must be considered in each step of program development, project planning, and the procurement process. The appropriate appropriate technical application of NASA Reliability and Quality Assurance Publications and the inclusion of realistic quality requirements in procurements are essential in most cases to accomplish NASA mission objectives. Those ultimately responsible for the content and quality of Requests for Proposals shall ensure that quality requirements are treated prudently in the proposal preparation and negotiation process and that an undue proposal preparation burden is not placed on proposers.

(b) Quality assurance requirements shall be established as early as possible in the procurement cycle and shall be made a part of the procurement request. Quality assurance requirements for flight and flight-related hardware shall include basic quality system requirements and detailed quality requirements peculiar to the program, project, hardware, the stage of development, and procurement situation. Requirements of the NASA Reliability and Quality Assurance Publications shall be invoked to the extent needed and consistent with program and project objectives. For flight-hardware systems, the quality assurance requirements usually shall be detailed in an Appendix to the Statement of Work. Quality assurance, reliability, and safety requirements may be contained in the same Appendix to facilitate elimination of overlapping or redundant requirements and operations of related tasks.

(c) Quality assurance documentation shall be phased into the proposal preparation and negotiation process so as to necessitate the submission of complete detailed Quality Program Plans only from the offeror or offerors selected for final contract negotiations (see § 18–1.5001(g)). For evaluation purposes in major negotiated procurements, including those conducted on a noncompetitive basis, initial cost proposals shall include an estimate of man-hours and other costs associated with each major quality task area defined in the RFP. Such estimates should be sufficiently detailed and time-phased so as to commit the offeror to a level of performance for all tasks. In addition, in competitive procurements, offerors should be required to provide a summary of their ultimate plan and to indicate in their original proposal that they understand that a detailed plan will be required if they are selected for negotiation and that it will be subject to evalutation, negotiation, and incorporation in the contract at the time of award.

(d) Evaluation of quality aspects of proposals should include consideration of current pre-award survey findings and historical information concerning quality experience with the proposed contractor(s).

(e) In procurements involving a continuation of effort on established projects, approved Quality Program or Inspection Plans under previous contracts may be used. In such cases, technical negotiation of quality assurance requirements should be limited only to require changes in the existing quality requirements, based on contract performance and flight experience. The contractor's revised Quality Program Plan shall be incorporated in the continuation (or follow-on) contract at the time of award.

(f) In sole source procurements for major flight hardware other than those identified in paragraph (e) of this section, the prospective contractor shall be required to submit his detailed Quality Program Plan with his proposal. Estimated man-hours and other costs associated with each major quality task area defined in the RFP shall be submitted to support the proposal.

(g) In all procurements involving the application of NHB 5300.4(1B) quality assurance requirements, the Contractor's Quality Program Plan shall be obtained and approved prior to award and shall be incorporated in the contract at the time of award. Both quality assurance requirements and the approved Quality Program Plans should be in the contract in order to cover situations in which the Plan is silent. If a Source Evaluation Board presentation to the Selection Official results in the selection of one offeror with whom final negotiations are to be conducted, then that is the only contract which need contain the full Quality Program Plan. If, however, two or more offerors are selected for final negotiations, then each of the contracts involved must contain the full Quality Program Plan, so that when the ultimate winner is selected the contract will contain the requisite Plan. The RFP should so notify offerors, and, state that upon selection, the selected offeror(s) shall be notified immediately of the date for submission of the full Quality Program Plan.

(h) In procurements citing NHB 5300.4(1C) quality provisions, the contractor shall be required to establish and maintain an Inspection System Plan; however, submission of the Plan for review and approval by the NASA installation is optional at the discretion of personnel responsible for quality assurance. When warranted by quality history or technical risk, the Inspection System Plan must be obtained and approved prior to award and shall be incorporated in the contract at the time of award. An Inspection System Plan should not be required to be submitted for low dollar or quick delivery purchases, or already fabricated articles.

(i) Quality documents (see applicable NHB 5300.4 series publications) required to be generated and submitted by the offerors or bidders and during contract performance shall be defined in the RFP or IFB.

§ 18–1.5002 Categories of procurements and their quality requirements.

For purposes of establishing quality requirements, NASA procurements are categorized as set forth below:

(a) *"Basic quality system requirements for major flight hardware systems"* shall be prepared by selectively invoking the provisions of NHB 5300.4 (1A) and shall be so applied in procurements for design, development, fabrication, test or operation of:

(1) Aeronautical and space systems;

(2) Major flight subsystems and complex assemblies;

(3) Support equipment used in launching, operating, or maintaining flight vehicles, or used for static test; and

(4) Test and checkout equipment directly interfacing with the above.

Details peculiar to a given procurement or project and necessary to amplify the provisions of NHB 5300.4(1B) shall be set forth in the procurement request (usually as an Appendix to the Statement of Work), solicitation, and resulting contract. Typical examples of such details are as follows:

NHB 5300.4(1B) paragraph No.	*Description of action*
1B102–2	*Designated Government quality representatives.* Specify in the contract that a designated Government quality representative will be assigned.
1B103–1	*Quality program documents.* Specify those documents listed in Appendix A of NHB 5300.4(1B) that the contractor shall generate and the detailed submission requirements, e.g., their classification as to approval, review, or information; to whom they will be submitted; who will take the specified Government action; the times or frequency for submission; and distribution quantity.
1B202–2 and 1B603	*Process controls.* Specify appropriate process, nondestructive testing and material treatment specifications or requirements. Identify those processes and operations for which the contractor shall train and certify personnel.
1B203	*Quality information.* Specify details or special requirements for quality information.
1B204	*Quality status reporting.* Specify the desired details of reporting (e.g., contents and frequency of written reports or meetings and qualification test status).
1B205–1	*Quality program audits.* Specify the frequency of audits. Also, relate audits to selected milestones or events.
1B206–1	*Quality program plan.* Specify the extent of the summary of the Quality Program Plan which is to be submitted with the original technical proposal and that which must be submitted by the offeror or offerors selected for final contract negotiations, for in-depth assessment and negotiation. Where special requirements exist for periodic updating of the Plan, these should be specified.
1B206–3	*Site plans.* Specify requirements unique to remote test and launch site Quality Program Plans. These may be specified to be submitted separate from the Plan for the manufacturing plant.
1B401	*Identification methods.* Specify detailed identification requirements for each generic hardware category and quality data retrieval requirements.
1B502–2a(1)	*Subcontracts for systems, subsystems, and related services.* Specify those subcontracts at the system and subsystem level to which NHB 5300.4(1B) shall be applicable. Specify special detailed requirements.
1B502–2a(2)	*Other subcontracts.* Specify general and detailed quality program or inspection system requirements for all other suppliers. Use of NHB 5300.4(1C) is encouraged.
1B508	*Post-award survey of supplier operations.* Specify any special requirements for prime contractor surveys of subcontractors.
1B602	*Cleanliness control.* Specify applicable cleanliness requirements or specifications.
1B701	*Inspection and test planning.* Specify special requirements for inspection and test planning; particularly requirements to integrate this planning with reliability, safety, and test requirements.
1B705–1	*Inspection and tests.* Specify requirements for special inspections or tests not included in hardware specifications or standards (e.g., inprocess inspections at predetermined points during fabrication, walk-through inspections of manned vehicles, neutron radiographic inspection techniques for pyrotechnic devices).
1B705–3	*Requalification testing.* Specify detailed requirements for requalification testing not covered in hardware specifications or standards (e.g., for pressure vessels, require requalification testing when there are changes in specifications, manufacturing processes, handling procedure or source of fluids used during test, checkout or operations).
1B706–2	*Equipment records.* Specify requirements for equipment records. Specify inspection and test record requirements to include information needed for NASA readiness decisions at contract milestones (e.g., shipment or flight readiness reviews). Specify special requirements for pressure vessel history during assembly, test and checkout. Specify time period to maintain inspection and test records not submitted to the Government.
1B802–9	*Remedial and preventive actions.* Specify special requirements for notifying the NASA installation of nonconformances and their related remedial and preventive actions.
1B1102–2	*Documentation package.* Specify contents of documentation package to be included with each shipment.

NHB 5300.4(1B) paragraph No.	*Description of action*
1B1300-5	*Government property control.* Specify requirements for functional tests to be performed by the contractor upon Government furnished property before use or incorporation in deliverable hardware.

(b) *"Basic quality system requirements for flight hardware at lower levels of assembly"* shall be prepared by selectively invoking the provisions of NHB 5300.4 (1C) and shall be applied in procurements for:

(1) Materials, parts, components, and services for aeronautical and space system end-use, and

(2) Instrumentation and ground support equipment not included in § 18–1.5002(a).

Details peculiar to a given procurement or project and necessary to amplify the provisions of NHB 5300.4(1C) shall be set forth in the procurement request, solicitation, and resulting contract. Typical examples of such details are as follows:

NHB 5300.4(1C) paragraph No.	*Description of action*
1C102–1	*Designated government quality representatives.* Specify in the contract that a designated Government quality representative will be assigned.
1C103–1	*Quality program documents.* Specify those documents listed in Appendix A of NHB 5300.4(1C) that the contractor shall generate and the detailed submission requirements (e.g., their classification as to approval, review or information; to whom they will be submitted; who will take the specified Government action; the times/frequency for submission; and distribution quantity).
1C105	*Material review board.* Specify whether a Material Review Board in accordance with Appendix C of NHB 5300.4(1C) is authorized and whether this authorization extends to selected subcontractors.
1C201	*Inspection system plan.* Specify whether the contractor's Inspection System Plan shall be submitted to the Government and, if so, the detailed requirements for its submission as set forth in 1C103–1. For small purchases, quick delivery and already fabricated articles, Plans should not be submitted. *NOTE:* If the Plan is not required to be submitted, it should, however, be prepared and be available to Government representatives upon request.
1C203	*Handling, packaging, packing and storage of material.* Specify requirements for handling, packaging, packing and storage.
1C303	*Control of raw materials.* Specify requirements for submission of chemical and physical test results and/or test specimens.
1C304	*Inspections and tests.* Specify inspection and test requirements not contained in referenced hardware specifications and standards.
1C305	*Inspection and test records.* Specify details of inspection and test records to be submitted to the Government. Specify identification and data requirements derived from higher system levels. Specify time period to maintain inspection and test records not submitted to the Government.
1C307	*Process controls.* Specify applicable process, nondestructive testing, and material treatment requirements or specifications. Identify those processes and operations for which the contractor shall train and certify personnel.
1C309	*Nonconforming article and material controls.* Specify requirements for documenting nonconformances, analyses, and related corrective actions. Also, see 1C105 Material Review Board.
1C311	*Sampling inspection.* Specify detail requirements for sampling inspection.

(c) *"Quality requirements for flight hardware for experiments"* shall be established according to § 18–1.5002(a) or (b), and at a level appropriate to the criticality of the experiments in the program involved.

(d) *"All other hardware procurements not covered above"* shall contain appropriate inspection and test requirements, but need not contain quality system requirements. NASA, other Government or non-Government specifications and standards which assist in defining the level of quality needed shall be cited as appropriate.

§ 18–1.5003 Responsibilities of NASA personnel.

(a) *Originators of procurement requests.* At the earliest possible time, originators of procurement requests shall ensure that personnel responsible for quality assurance develop detailed quality requirements in accordance with § 18–1.5002 and the guidelines established by the procuring installation, and that such requirements are made part of the procurement request.

(b) *Personnel responsible for quality assurance.* Personnel responsible for quality assurance shall support, as appropriate, originators of procurement requests and contracting officers by:

(1) Participating in each phase of project planning and each step of the procurement process;

(2) Determining and documenting Quality Program or Inspection System scope and the necessary quality requirements;

(3) Documenting funding estimates required to support the quality requirements of the procurement request;

(4) Participating in pre-award and post-award surveys;

(5) Presenting quality requirements at preproposal or bidder's conferences or other oral briefings;

(6) Participating in proposal or bid evaluations;

(7) Reviewing Quality Program Plans or Inspection System Plans for adequacy and cost effectiveness; coordinating reviews with originators of procurement requests;

(8) Providing technical support in negotiation of quality requirements into contracts;

(9) Reviewing contracts prior to issuance to ensure inclusion of appropriate quality requirements;

(10) Preparing the quality assurance requirements for inclusion in the Letters of Delegation for performance or contract administration services by other Government agencies; and

(11) Evaluating contractor performance and monitoring the contractor's utilization of quality assurance resources after award.

(c) *Contracting officers.* Contracting officers, with or through personnel responsible for quality assurance, shall:

(1) Review each procurement document to ensure that quality requirements are selectively included;

(2) Determine, if quality requirements have been omitted or appear to be inadequate and, where necessary, discuss the applicable quality requirements by consultation and verification with personnel responsible for quality assurance and the originator of the procurement request;

(3) Advise all prospective contractors of the quality requirements for the particular procurement;

(4) Include a statement, when NASA quality documents are referenced in the solicitation, that if copies of the documents are unavailable for the preparation of the proposal, they will be furnished upon request;

(5) Advise prospective contractors of the interpretation of quality requirements;

(6) Arrange for participation of personnel responsible for quality assurance in proposal evaluations and negotiations, as necessary;

(7) Ensure that the provisions of the contract are specific as to the contractor's responsibility for meeting quality requirements;

(8) Ensure that responsiblity is designated for performance of Government quality assurance functions delegated, and the functions to be performed by the NASA installation. Letters outlining delegated functions shall be specific as

to the quality assurance effort required, and those outlining functions to be performed by the NASA installaton at plant sites shall set forth the duties, responsibilities, and authority of installation personnel assigned to perform these functions.

(d) *NASA installations.* Procedures to implement this subpart 18–1.50 shall be established by each NASA installation, including: assigning and defining personnel responsibilities and duties, routing of procurement requests, recording of technical and quality requirements, notification of meetings and negotiations, and establishing quality requirements in accordance with the categories of procurement.

27. Subpart 18–1.51 has been revised in its entirety as follows:

Subpart 18–1.51—Integration of Reliability Requirements Into NASA Procurements

§ 18–1.5100 Scope of subpart.

This subpart sets forth procurement procedures for implementing the reliability policies of NASA Policy Directive 5300.7, "Basic Policy for Reliability and Quality Assurance", and detailing the application of "Reliability Program Provisions for Aeronautical and Space System Contractors" (NHB 5300.4(1A)).

§ 18–1.5101 Policy.

(a) Reliability is a factor which must be considered in each step of program development, project planning, and the procurement process. The appropriate technical application of NASA Reliability and Quality Assurance Publications and the inclusion of realistic reliability requirements in procurements are essential in most cases to accomplish NASA mission objectives. Those ultimately responsible for the content and quality of Requests for Proposals shall ensure that reliability requirements are treated prudently in the proposal preparation and negotiation process and that an undue proposal preparation burden is not placed on proposers.

(b) Reliability requirements shall be established as early as possible in the procurement cycle and shall be made a part of the procurement request. Reliability requirements for flight and flight-related hardware shall include basic reliability system requirements and detailed reliability requirements peculiar to the program, project, hardware, the stage of development, and procurement situation. Requirements of the NASA Reliability and Quality Assurance Publications shall be invoked to the extent needed and consistent with program and project objectives. For flight hardware systems, the reliability requirements usually shall be detailed in an Appendix to the Statement of Work. Quality, reliability, and safety requirements may be contained in the same Appendix to facilitate elimination of overlapping or redundant requirements and operations of related tasks.

(c) Reliability documentation shall be phased into the proposal preparation and negotiation process so as to necessitate the submission of complete detailed Reliability Program Plans only from the offeror or offerors selected for final contract negotiations (see § 18–1.5101(g)). For evaluation purposes in major negotiated procurements, including those conducted on a noncompetitive basis, initial cost proposals shall include an estimate of man-hours and other costs associated with each major reliability task area defined in the RFP. Such estimates should be sufficiently detailed and time-phased so as to commit the offeror to a level of performance for all tasks. In addition, in competitive procurements, offerors should be required to provide a summary of their ultimate Reliability Plan and to indicate in their original proposal that they understand that a detailed Plan will be required if they are selected for negotiation and that it will be subject to evaluation, negotiation, and incorporation in the contract at the time of award.

(d) Evaluation of reliability aspects of proposals should include consideration of current preaward survey findings and historical information concerning reliability experience with the proposed contractor(s).

(e) In procurements involving a continuation of effort on established projects, approved Reliability Program Plans under previous contracts may be used. In such cases, technical negotiation of reliability requirements should be limited only to required changes in the existing reliability requirements, based on contract performance and flight experience. The contractor's revised Reliability Program Plan shall be incorporated in the continuation (or follow-on) contract at the time of award.

(f) In sole source procurements for major flight hardware other than those identified in paragraph (e) of this section, the prospective contractor shall be required to submit his detailed Reliability Program Plan with his proposal. Estimated man-hours and other costs associated with each major reliability task area defined in the RFP shall be submitted to support the proposal.

(g) In all procurements involving the application of NHB 5300.4(1A) reliability requirements, the contractor's Reliability Program Plan shall be obtained and approved prior to award and shall be incorporated in the contract at the time of award. Both reliability requirements and the approved Reliability Program Plan should be in the contract in order to cover situations in which the Plan is silent. If a Source Evaluation Board presentation to the Selection Official results in the selection of one offeror with whom final negotiations are to be conducted, then that is the only contract which need contain the full Reliability Program Plan. If, however, two or more offerors are selected for final negotiations, then each of the contracts involved must contain the full Reliability Program Plan, so that when the ultimate winner is selected the contract will contain the requisite Plan. The RFP should so notify offerors, and state that upon selection, the selected offeror(s) shall be notified immediately of the date for submission of the full Reliability Program Plan.

(h) Reliability documents (see Appendix B of NHB 5300.4(1A) to be generated and submitted by the offerors or bidders and during the contract performance shall be defined in the RFP or IFB.

§ 18–1.5102 Categories of procurements and their reliability requirements.

For purposes of establishing reliability requirements, NASA procurements are categorized as set forth below.

(a) *"Basic reliability requirements for major flight hardware systems"* shall be prepared by selectively invoking the provisions of NHB 5300.4(1A) and shall be applied in procurements for design, development, fabrication, test or operation of:

(1) Aeronautical and space systems;

(2) Major flight subsystems, critical experiments and complex assemblies;

(3) Support equipment used in launching, operating, or maintaining flight vehicles, or used for static test; and

(4) Test and checkout equipment directly interfacing with the above.

Details peculiar to a given procurement or project and necessary to amplify the provisions of NHB 5300.4(1A) shall be set forth in the procurement request (usually as an Appendix to the Statement of Work), solicitation, and resulting contract. Typical examples of such details are contained in Appendix F of NHB 5300.4(1A). In addition, cite appropriate specifications, standards, design reliability criteria, or other documents which further define reliability requirements. In applying NHB 5300.4 (1A) to existing and follow-on contracts, preparation of reliability requirements shall consider contract performance, project completion status and over-all procurement phasing.

(b) *"Basic reliability requirements for other elements of flight hardware systems"* shall be prepared by selectively invoking the provisions of NHB 5300.4(1A) with due consideration to the degree of design responsibility involved and interface requirements. Details peculiar to a given procurement or project and necessary amplification of selected provisions from NHB 5300.4(1A) shall be set forth in the procurement request solicitation and resulting contract. Procedures of § 18–1.502(a) shall be followed as applicable.

§ 18–1.5103 Responsibilities of NASA personnel.

(a) *Originators of procurement requests.* At the earliest possible time, originators of procurement requests shall ensure that reliability personnel develop detailed reliability requirements in accordance with § 18–1.5102 and the guidelines established by the procuring installation, and that such requirements are made part of the procurement request.

(b) *Reliability personnel.* Reliability personnel shall support, as appropriate, originators of procurement requests and contracting officers by:

(1) Participating in each phase of project planning and each step of the procurement process;

(2) Determining and documenting Reliability Program scope and the necessary reliability requirements;

(3) Documenting funding estimates required to support the reliability requirements of the procurement request;

(4) Participating in pre-award and post-award surveys;

(5) Presenting reliability requirements at preproposal or bidder's conferences or other oral briefings;

(6) Participating in proposal or bid evaluations;

(7) Reviewing Reliability Program Plans for adequacy and cost effectiveness; coordinating reviews with originators of procurement requests;

(8) Providing technical support in negotiation of reliability requirements into contracts;

(9) Reviewing contracts prior to issuance to ensure inclusion of appropriate reliability requirements;

(10) Preparing any reliability requirements suitable for inclusion in the Letters of Delegation for performance of contract administration services by other Government agencies; and

(11) Evaluating contractor reliability performance and monitoring the contractor's utilization of reliability resources after award. One or more of the monitoring techniques listed in § 18–1.5103(d) will be used.

(c) *Contracting officers.* Contracting officers, with or through reliability personnel, shall:

(1) Review each procurement document to ensure that reliability requirements are selectively included;

(2) Determine, if reliability requirements have been omitted or appear to be inadequate and, where necessary, discuss the applicable reliability requirements by consultation and verification with reliability personnel and the originator of the procurement request;

(3) Advise all prospective contractors of the reliability requirements for the particular procurement;

(4) Include a statement, when NASA reliability documents are referenced in the solicitation, that if copies of the documents are unavailable for the preparation of the proposal, they will be furnished upon request;

(5) Advise prospective contractors of the interpretation of reliability requirements;

(6) Arrange for participation of reliability personnel in proposal evaluations and negotiations, as necessary;

(7) Ensure that the provisions of the contract are specific as to the contractor's responsibility for meeting reliability requirements; and

(8) Ensure that responsibility is designated for performance of Government reliability functions delegated, and the functions to be performed by the NASA installation. Letters outlining delegated functions shall be specific as to the reliability effort required, and those outlining functions to be performed by the NASA installation at plant sites shall set forth the duties, responsibilities, and authority of installation personnel assigned to perform these functions.

(d) *NASA installations.* Procedures to implement this subpart 18–1.51 shall be established by each NASA installation, including: assigning and defining personnel responsibilities and duties, routing of procurement requests, recording of technical and reliability requirements, notification of meetings and negotiations, and establishing reliability requirements. The procedures shall include the following instructions on monitoring the contractor's reliability efforts, at the discretion of the installation:

(1) Use, when available, of resident NASA technical representatives (including reliability representatives) in hardware contractor facilities (or, as a minimum, use of periodic reliability surveys by nonresident NASA teams). When resident NASA representatives are assigned the reliability functions, an outline of their duties will be furnished to the contracting officer in compliance with § 18–51.303(e);

(2) Use of delegations to plant resident contract administration offices of other Government agencies; and

(3) Conducting reviews of contractor and supplier documentation to assess Reliability Program effectiveness and reliability status of project hardware.

28. Section 18–1.5204 (a) and (d) is revised to read as follows:

§ 18–1.5204 Contract provisions.

(a) Specific system safety requirements which are to be included in the contract for the purpose of procuring system safety engineering services shall be defined in the contract Schedule in accordance with Subpart 18–1.53.

* * * * *

(d) This clause may, however, be excluded from any contract which is subject to either the Walsh-Healy Public Contracts Act (§ 18–12.601) or the Services Contract Act of 1965 (§ 18–12.1004) and in which the application of either Act and any regulations thereunder constitute adequate safety and health protection.

SAFETY AND HEALTH (JUNE 1972)

(a) The Contractor shall take all reasonable safety and health measures in performing under this contract and shall, to the extent set forth in the Schedule of the contract, submit a safety plan and a health plan for the Contracting Officer's approval. The Contractor is subject to (i) all applicable Federal, state and local laws, regulations, ordinances, codes and orders relating to safety and health in effect on the date of this contract; and (ii) shall comply with the Safety and Health Standards, specifications and issuances, reporting requirements, and provisions as set forth in the Schedule of the contract.

(b) Further, the Contractor shall take or cause to be taken such other safety and health measures as the Contracting Officer shall direct. To the extent that the Contractor is entitled to an equitable adjustment under the terms and conditions of this contract, or any other obligations of the parties, such equitable adjustment shall be determined pursuant to the procedures of the clause of this contract entitled "Changes;" *provided*, that no adjustment shall be made under this clause for any change for which an equitable adjustment is expressly provided under any other provision of this contract.

(c) The Contractor shall immediately notify and promptly report to the Contracting Officer or his representative, any accident or incident or exposure resulting in fatality, disabling occupational injury or occupational disease or contamination of property beyond stated acceptable threshold limits set forth in the Schedule of the contract, or property loss of $10,000 or more arising out of work performed under this contract; *Provided*, however, the Contractor will not be required to include in any report an expression of opinion as to the fault or negligence of any employee. In addition, the Contractor shall comply with any illness, incident and injury experience reporting requirements set forth in the Schedule of the contract. The Contractor will investigate all such work related incidents or accidents to persons and property to the extent necessary to positively conclude what cause or causes resulted in said accident or incident, and furnish the Contracting Officer with a report, in such form as the Contracting Officer may require, of the investigative findings, together with proposed and/or completed corrective actions.

(d)(1) The Contracting Officer may, from time to time, notify the Contractor in writing of any noncompliance with the provisions of this clause and may specify corrective actions to be taken. The Contractor shall, after receipt of such notice, immediately take corrective action.

(2) If the Contractor fails or refuses to institute prompt corrective action in accordance with (d)(1) above, the Contracting Officer may invoke the provisions of the clause in the contract entitled "Stop Work," or may invoke whatever other rights are available to the Government under the terms and conditions of this contract or at common law, to remedy such failure or refusal to institute prompt corrective action.

(e) The Contractor (or subcontractor or supplier) shall cause the substance of this clause including this paragraph (e) and any applicable Schedule Provisions, with appropriate changes of designations of the parties, to be inserted in subcontracts of every tier which: (i) amount to $1,000,000 or more unless the Contracting Officer makes a written determination that this is not required; (ii) require construction, repair, or alteration in excess of $10,000; or (iii) the Contractor, regardless of dollar amount, determines that hazardous materials or operations are involved.

(f) The Contractor agrees that authorized Government representatives of the Contracting Office shall have access to and the right to examine the sites or areas where work under this contract is being performed to determine the adequacy of the Contractor's safety and health measures under this clause.

29. Subpart 18–1.53 is added.

Subpart 18–1.53—Integration of System Safety Requirements Into NASA Procurements

AUTHORITY: The provisions of this Subpart 18–1.53 issued under 42 U.S.C. 2473(b)(1).

§ 18–1.5300 Scope of subpart.

This subpart sets forth procedures for developing system safety requirements pursuant to guidelines set forth in:

(a) Volume 1 of NHB 1700.1 series (Basic Safety Requirements)

(b) Volume 3 of NHB 1700.1 series (System Safety)

(c) Safety Program Directive No. 1 (SPD–1A) for Manned Space Flight Programs

§ 18–1.5301 Policy.

(a) System safety is a factor which must be considered in each step of program development, project planning, and the procurement process. The appropriate technical application of NASA Safety Publications and the inclusion of realistic requirements in procurements are essential in most cases to accomplish NASA mission objectives. Those ultimately responsible for the content and quality of Requests for Proposals shall ensure that system safety requirements are treated prudently in the proposal preparation and negotiation process and that an undue proposal preparation burden is not placed on offerors.

(b) System safety requirements shall be established as early as possible in the procurement cycle and shall be made a part of the procurement request. The safety criteria and requirements for flight and flight-related hardware, including ground support equipment and special facilities, shall be directly related to the program, project, hardware, the stage of development, and procurement situation. For flight-hardware and supporting systems, the system safety requirements normally shall be referenced as a subdivision of work or a task in the Statement of Work and detailed in an Appendix to the Statement of Work. Quality assurance, reliability, and safety requirements may be contained in the same Appendix to facilitate elimination of overlapping or redundant requirements.

(c) System safety documentation shall be phased into proposal preparation and negotiation process so as to necessitate the submission of complete detailed System Safety Plans only from the offeror or offerors selected for final contract negotiations (see § 18–1.5301(g)). For evaluation purposes in major negotiated procurements, including those conducted on a noncompetitive basis, initial cost proposals shall include an estimate of manhours and other costs associated with each major safety task area defined in the Request for Proposal. Such estimates should be sufficiently detailed and time-phased so as to commit the offeror to a level of performance for all tasks. In addition, in competitive procurements, offerors should be required to provide a summary of their ultimate Plan and to indicate in their original proposal that they understand that a detailed Plan will be required if they are selected for negotiation and that it will be subject to evaluation, negotiation, and incorporation in the contract at the time of award.

(d) Evaluation of system safety aspects of proposals should include consideration of current pre-award survey findings and historical information concerning system safety experience with the proposed contractor(s). In applying the guidelines of NHB 1700.1 (V3) to existing and follow-on contracts, preparation of system safety requirements shall consider contract performance, project completion, status and overall procurement phasing.

(e) In procurements involving a continuation of effort on established projects, approved System Safety Program Plans under previous contracts may be used. In such cases, technical negotiation of safety requirements should be limited only to required changes in the existing safety requirements, based on contract performance and flight experience. The contractor's revised System Safety Program Plan shall be incorporated in the continuation (or follow-on) contract at the time of award.

(f) In noncompetitive procurements for major flight hardware other than those identified in paragraph (e) of this section, the prospective contractor shall be required to submit his detailed System Safety Program Plan with his proposal. Estimated manhours and other costs associated with each major system task area defined in the Request for Proposal shall be submitted to support the proposal.

(g) In all procurements involving system safety requirements developed from guidelines set forth in NHB 1700.1(V3), the Contractor's System Safety Program Plan shall be obtained and approved prior to award and shall be incorporated in the contract at the time of award. Both the system safety requirements and the approved contractor's System Safety Program Plan should be incorporated in the contract. If a Source Evaluation Board presentation to the Selection Official results in the selection of one offeror with whom to conduct final negotiations, then that is the only contract which need contain the full System Safety Program Plan. If, however, two or more offerors are selected for final negotiations, then each of the contracts involved must contain the full System Safety Program Plan, so that when the ultimate winner is selected the contract will contain the requisite Plan. The Request for Proposal should so notify offerors, and, upon selection, the selected offeror(s) shall be notified immediately of the date for submission of the full System Safety Program Plan.

(h) Safety documentation which is to be submitted during contract performance shall be defined in the Request for Proposal and the resulting contract.

§ 18–1.5302 Major procurements and their system safety requirements.

(a) *Basic systems safety requirements for major flight harware systems.* These requirements shall be prepared using the guidelines set forth in NHB 1700.1(V3) and shall be so applied in procurements for design, development, fabrication, test or operation of:

(1) Aeronautical and space systems;

(2) Major flight subsystems and complex assemblies;

(3) Support equipment used in launching, operating, or maintaining flight vehicles, or used for static test; and

(4) Test and checkout equipment directly interfacing with the above.

(b) *Guidelines for selecting and defining tasks.* These guidelines are set forth in NHB 1700.1(V1), Basic Safety Requirements. This document provides guidance for the approach and method of developing contract requirements for system safety through all phases of major hardware development and procurement. Such requirements shall be set forth in procurement requests (usually as an Appendix to the Statement of Work and incorporated in the Statement of Work by reference), solicitation, and resultant contract.

(c) *Detailed task descriptions.* Typical examples of system safety requirement tasks which may be included in the Statement of Work Appendix are as follows:

(1) *Program system safety plan.* This task will describe the preparation of a program System Safety Plan which will provide the continuity of System Safety for major hardware definition and development phases. It will contain the contractor's approach, logic, task breakdown, organization, responsibilities, interfaces with subcontractors, associate contractors, and Government agencies, occupational safety, and the required milestones and documentation. The plan will be provided at the beginning of the program and shall be maintained thereafter to reflect program changes.

This task will describe system safety goals to be used during the program and the development, evaluation, refinement, review and publication of design and operational System Safety criteria.

(2) *System safety analyses.*

(i) *Hazards identification.* This task will describe the identification of hazards in the program elements and will describe the sources to be used for identifying these.

(ii) *Hazards analyses.* This task will describe the analysis of the identified hazards to determine possible effects.

(iii) *Hazards reduction.* This task will describe design, operational and procedural changes where the hazards analyses have disclosed unacceptable hazards, and the preferred sequence of dealing with these hazards. It will also describe the method for continuation of hazard reduction effort or unresolved safety issues and the management reporting requirements to ensure adequate visibility and emphasis of these areas, throughout the life of the program.

(3) *Safety training and certification.* This task will identify system safety requirements for personnel training, certification, and motivation programs.

(4) *Safety audits.* This task will describe the audit plan for operations under the contractor's jurisdiction including subcontractors and suppliers, as appropriate to conform with the appropriate safety requirements.

(5) *In-flight and post-flight evaluation.* This task will describe an analysis and evaluation of anomalies which occur in-flight and post-flight from the system safety point of view and the necessary procedures and controls.

(6) *System safety management requirements.* This section will describe the contractor's organization for managing the overall system safety program.

(7) *System safety methods.* This section will describe the methods and techniques which will be used to identify hazards, prevent or control hazards, and provide management visibility in compliance with the requirements of the System Safety Plan.

(8) *Interfaces with other plans.* System Safety Task or Plan Interface efforts shall recognize the anticipated interfaces of System Safety tasks with other plans, and the phase in which the interface occurs.

(d) "Systems safety requirements for flight hardware experiments and payloads" shall be established according to § 18–1.5302(a) and at a level appropriate to the criticality of the experiments in the program involved.

(e) "All other hardware procurements not covered above" shall contain appropriate inspection and test requirements, and need contain only general system safety requirements. NASA, other Government or non-Government specifications and standards which assist in defining the level of safety needed shall be cited as appropriate.

§ 18–1.5303 Responsibilities of NASA personnel.

(a) *Originators of procurement requests.* At the earliest possible time, originators of procurement requests shall ensure that personnel responsible for system develop detailed system safety requirements in accordance with § 18–1.5302 and the guidelines established by the procuring installation, and that such requirements are made part of the procurement request.

(b) *Personnel responsible for system safety assurance.* Personnel responsible for system safety assurance shall support, as appropriate, originators of procurement requests and contracting officers by:

(1) Participating in each phase of project planning and each step of the procurement process;

(2) Determining and documenting the necessary system safety requirements;

(3) Preparing funding estimates required to support the system safety requirements of the procurement request;

(4) Participating in pre-award and post-award surveys;

(5) Presenting system safety requirements at pre-proposal or bidder's conferences or other oral briefings;

(6) Participating in proposal evaluations;

(7) Reviewing System Safety Program Plans for adequacy and cost effectiveness; coordinating reviews with originators of procurement requests;

(8) Providing technical support in negotiation of system safety requirements into contracts;

(9) Reviewing contracts prior to issuance to ensure inclusion of appropriate system safety requirements;

(10) Preparing any system safety special instructions for inclusion in the Letters of Delegation for performance of contract administration services related to system safety requirements by other Government agencies;

(11) Evaluating contractor performance and monitoring the contractor's utilization of system safety resources after award.

(c) *Contracting officers.* The contracting officer, with or through personnel responsible for system safety, shall:

(1) Review each applicable procurement document to ensure that system safety requirements are selectively included;

(2) Determine if system safety requirements have been omitted or appear to be inadequate and, where necessary, discuss the applicable system safety requirements by consultation and verification with personnel responsible for system safety and the originator of the procurement request;

(3) Advise all prospective contractors of the system safety requirements for the particular procurement and clarify as necessary;

(4) Arrange for participation of personnel responsible for system safety in proposal evaluations and negotiations, as necessary;

(5) Ensure that the provisions of the contract are specific as to the contractor's responsibility for meeting system safety requirements;

(6) Ensure that responsibility is assigned or delegated to perform the Government system safety functions. Letters defining the delegated assignments should be specific as to the system safety effort required. Those duties to be performed by NASA personnel at plant sites shall be set forth describing the assigned responsibilities, and authority of installation personnel.

(d) *NASA installations.* Procedures to implement this subpart 18–1.53 shall be established by each NASA installation, including: assigning and defining personnel responsibilities and duties, routing of procurement requests, recording of technical and system safety requirements, notification of meetings and negotiations, establishing system safety requirements and determining compliance with safety specifications. The procedures shall include instructions on monitoring the contractor's system safety efforts as follows, at the discretion of the installation:

(1) The use, when necessary, of resident NASA technical representatives (including system safety representatives) in hardware contractor facilities (or, as a minimum, use of periodic system safety surveys by nonresident NASA teams). When resident NASA representatives are assigned to system functions, an outline of their duties will be furnished to the contracting officer in compliance with § 18–51.303(e);

(2) The use of delegations to plant resident contract administration offices of other Government agencies;

(3) Conducting reviews of contractor and supplier documentation to assess System Safety Program effectiveness and system safety status of project hardware.

PART 18–2—PROCUREMENT BY FORMAL ADVERTISING

1. § 18–2.201–1 [Amended]

In § 18–2.201–1(a) subparagraphs (31) and (59) are added as follows.

§ 18–2.201–1 Supply and Service contracts.

* * * * *

(31) If the solicitation may result in contract awards of $10,000 or more and may generate 400 or more man-days of employment, as defined in the clause in § 18–12.1102–2, include the following provision:

LISTING OF EMPLOYMENT OPENINGS (MARCH 19, 1972)

Bidders should note that this solicitation includes a provision requiring the listing of employment openings with the local office of the State employment service system where a contract award is for $10,000 or more and will generate 400 or more man-days of employment.

* * * * *

(59) Include the notice provision as follows:

NOTICE TO OFFERORS (JULY 1971)

Attention is invited to the regulations issued by the Secretary of Labor pursuant to Section 107 of the Contract Work Hours and Safety Standards Act (Public Law 91–54; 86 Stat. 96; 40 U.S.C. 327), entitled, 'Safety and Health Regulations for Constructions' (29 CFR Part 1518). The Contractor will be required to comply with the Secretary's regulations to the extent that any resulting contract involves construction.

* * * * *

PART 18–3—PROCUREMENT BY NEGOTIATION

1. Section 18–3.106–3 is revised to read as follows:

§ 18–3.106–3 Award information to unsuccessful offerors.

(a) *Pre-award notice of unacceptable offers.* The following policies and procedures shall be observed in making information available to unsuccessful offerors:

(1) Except as provided in subparagraph (2) of this paragraph (a), in any procurement in excess of $10,000 in which it appears that the period of evaluation of proposals is likely to exceed 30 days or in which a limited number of offerors has been selected for *additional* negotiation, the contracting officer, upon determination that a proposal is unacceptable, shall provide prompt notice of the fact to the offeror submitting the proposal. Such notice need not be given where disclosure will prejudice the Government's interest or where the proposed contract is:

(i) Negotiated pursuant to 10 U.S.C. 2304(a) (4), (5), or (6) (see § 18–3.204, § 18–3.205, or § 18–3.206);

(ii) Negotiated with a foreign supplier when only foreign sources of supplies or services have been selected.

In addition to stating that the proposal has been determined unacceptable, notice to the offeror shall indicate, in general terms, the basis for such determination and shall advise that, since further negotiation with him concerning this procurement is not contemplated, a revision of his proposal will not be considered.

(2) In the case of procurements for which a Source Evaluation Board has been appointed and one or more than one offeror has been selected for negotiations, those offerors not selected for either preliminary negotiations or final negotiations will be notified, upon elimination by the Source Selection Official, of that fact in writing.

(3) In any procurement involving a small business set-aside to be, placed through conventional negotiation, upon final completion of negotiations and determinations of responsibility but prior to award, the contracting officer shall inform each unsuccessful offeror by written notice of the name and location of the apparently successful offeror(s). Each apparently unsuccessful offeror should be advised that any subsequent revisions of his proposal will not be considered, since no further negotiations are contemplated, and no further contact with the contracting officer need be made regarding the instant procurement unless the unsuccessful offeror has grounds to challenge the small business size status of the apparently successful offeror(s). This notification procedure shall not apply to procurements exempt by § 18–3.106–3(a)(1) or to any urgent procurement action which the contracting officer determines in writing must be awarded without delay to protect the public interest. The contracting officer's determination shall be placed in the contract file.

(b) *Post-award notice of unaccepted offers.*

(1) Promptly after making all awards in any procurement in excess of $10,000, the contracting officer shall give written notice to the unsuccessful offerors that their proposals were not accepted, except that such notice need not be given where notice has been provided pursuant to paragraph (a) above or the contract is negotiated pursuant to 10 U.S.C. 2304(a) (4), (5), or (6) (see § 18–3.204, § 18–3.205, or § 18–3.206), or is negotiated with a foreign supplier when only foreign sources of supplies or services have been solicited. Such notice shall also include:

(i) The number of prospective contractors solicited;

(ii) The number of proposals received;

(iii) The name and address of each offeror receiving an award; and

(iv) The items, quantities, and unit prices of each award; provided that, where the number of items or other factors makes the listing of unit prices impracticable, only the total contract price need be furnished.

Additional information as to why an offeror's proposal was not accepted should be provided to the offeror upon his written request to the contracting officer, except where the price information in subparagraph (iv) of this paragraph (b)(1) readily reveals such reason, but in no event will any offeror's confidential business information be revealed, nor will a discussion be had of relative merits of the proposals. For guidelines relating to the provision of additional information see paragraph (e) of this section.

(2) In procurements of $10,000 or less and subject to the exceptions in subparagraph (1) of this paragraph (b), the information described in subparagraph (1) shall be furnished to unsuccessful offerors upon request.

(c) *Classified information.* Classified information shall be furnished only in accordance with regulations governing classified information.

(d) *Debriefing.* It is NASA policy to provide a debriefing to unsuccessful offerors in competitive procurements where Source Evaluation Board procedures are employed and when requested in writing. Such debriefing should be confined to a discussion of the unsuccessful offeror's proposal in relation to the Government's requirement. Care should be taken to avoid comparison of one company's proposal with another and disclosure of information contained in other offers or the Government's estimate. The policies and procedures governing debriefing are more fully set forth in NASA Management Instruction 5103.1, "Debriefing of Unsuccessful Companies in Competitive Procurements."

2. Section 18–3.405–3 has been revised to read as follows.

§ 18–3.405–3 Cost sharing contract.

(See § 18–1.362)

3. Section 18–3.450(c) has been revised to read as follows:

§ 18–3.450 Incentive contracts.

* * * * *

(c) *Advance approval of incentives.*

(1) The advance approval of the cognizant Headquarters program director will be obtained on the NASA prenegotiation position for procurements that are selected for Headquarters review and approval in accordance with the Master Buy Plan Procedure (see Subpart 18–50.2) and which contemplate the use of an incentive or an award fee type of contract, prior to the discussion of incentive arrangements in negotiations, and in addition to any required approval of a procurement plan. The request for advance approval will be submitted immediately upon the establishment of a tentative NASA prenegotiation position, which may occur prior to the issuance of requests for proposals or which may result from the review and evaluation of offerors' responses to requests for proposals. The following information will be included in a prenegotiation memorandum to be submitted in support of each request for approval of a prenegotiation position:

(i) Brief description of the procurement action;

(ii) Proposed contractor(s);

(iii) Procurement objectives which will be aided by the planned incentives;

(iv) Type of contract contemplated and rationale supporting selection of the contract type;

(v) Parameters considered suitable for application of incentives (performance, schedule, cost, multiple or combinations of these). Discuss in detail the objectives of the proposed incentive arrangement, and the extent of any reliance on extra-contractual influences. Be specific, avoid vague generalization such as "improvement in performance, management, quality, delivery, at lowest possible cost" or "motivate the contractor to improve his quality, timeliness and cost consciousness";

(vi) Estimated target cost (minimum and maximum position). Discuss the extent and evaluation of any significant variance between the NASA estimated cost objective and the contractor's proposed estimated cost. Describe the audit and technical input utilized in development of the estimated cost. Discuss the range of confidence in the estimated target cost, i.e., the most pessimistic and the most optimistic estimates of cost expectancy, discuss in detail the bases for the establishment of the range of confidence in target cost and pricing techniques used to validate the cost estimates or range of incentive effectiveness;

(vii) Target, maximum, and minimum fee objective (if CPIF); target profit and ceiling price (if FPI); base and maximum fee (if CPAF). Discuss the bases for the establishment of fees or profit (target, maximum, minimum, base and award fee as appropriate) using the factors contained in § 18–3.808;

(viii) *Performance incentive:* Goals, minimum acceptable performance; target performance; method of measurement or test; furnish a value analysis of increments of increase or decrease in performance accomplishment, explain the base for establishment of goals and targets.

(ix) *Schedule incentive:* Discuss the planned delivery schedules or milestones in terms of the earliest desirable target and the latest acceptable dates; furnish a value analysis of increments of increase and decrease in the schedule accomplishment in relation to the cost incentive. Where milestones are used, give the reasons for their selection.

(x) *Cost incentive:* Sharing formula, fee swing (minimum and maximum position).

(xi) *Award fee:* Suggested criteria, rating, relative weighting evaluation award periods, method planned for fee payments and the designation of the Fee Determining Official.

(xii) *Multiple incentives:* Relative weighting; trade-offs; dependencies, i.e., the extent to which the incidence of the several individual incentives depends

upon the attainment to some degree of other targets; overlap, i.e., arrangements by which the effect of one or more of the incentives may be extended beyond the effectiveness range implied by the relative weight assigned.

(xiii) If the action is a conversion, discuss the treatment of existing cost overrun or underrun and the effective point or date of conversion. Also, discuss the method used in determining the contractor fee earned, if any, as of conversion date in relation to the extent of performance completed under the prior phase. Discuss why a conversion is required and furnish a projection at completion of cost and fee if the present contractural arrangement is allowed to remain. Discuss the details of performance, cost, and schedule relationships as determined appropriate on a case-by-case basis describing the historical trends and rationale for projections of each factor.

(xiv) Graphic illustrations of incentive arrangement, including graphics of the total contract and details of cost, performance, schedule or award fee relationships.

(xv) If the action is an extension or renewal (e.g., by exercise of an option) of a contract which contains an incentive arrangement or if the contractor has previously performed under an incentive contract, furnish details of the results of previous operations under incentive. If the previous operations were under an award fee incentive arrangement, furnish a summary of the periodic evaluation comments of the installation's Incentive Review Board or comparable body.

(xvi) If the nature of the procurement indicates that significant "Changes" clause activity may be anticipated, an explanation of the following is required: the special provisions that will be considered to provide a formalized adjustment for major changes that can be predicted; the efforts which have been made to construct the schedule and performance incentive features so that they will remain effective even with the changes or certain classes of changes, and the methods, procedures, and capabilities that will be used to make timely equitable adjustments in consonance with keeping the contractor motivated at least in accordance with the original incentive features.

Where the planned fee in the prenegotiation position exceeds the limitations set forth in § 18–3.450(f), justification for such fee will be set forth in separate correspondence for review and approval by the Director of Procurement. The advance approval of an incentive arrangement shall not be construed as requiring the preparation of an incentive contract, if in the course of negotiations the exercise of good business judgment requires a different contractual arrangement. However, the decision, that an incentive arrangement previously approved will not be used, will be coordinated with the approving authority prior to the commitment of NASA to a position in negotiations. If during the course of negotiations. the contracting officer finds that the incentive plan as approved by the cognizant Headquarters program director cannot be negotiated or for other reasons requires changes, approval for such changes will be obtained prior to the commitment of NASA to a position in negotiations.

(2) Every procurement plan shall contain a discussion of the rationale for the proposed selection of the contract type. Approval of a procurement plan does not constitute approval of the prenegotiation position required by paragraph (c)(1) of this section.

(3) The Director of Procurement will make available such assistance as may be necessary in support of field procurement office capability to draft, negotiate and administer the incentive provisions of new procurement actions or major amendments to existing incentive structures.

(4) In a support service contract with a firm option and containing a basic incentive structure approved by Headquarters, in the exercise of the option, the incentive plan need not be resubmitted to Headquarters for approval. If the contractual arrangement involves an "agreement-to-agree," rather than a firm option, advanced Headquarters approval of the proposed incentive structure will be required in those cases where (i) the nature or scope of the effort is changed; or (ii) the concept or criteria of the incentive structure, or both, differ from that previously approved. Where the nature or scope of the services, or the concept or criteria of the incentive structure do not differ from that previously approved, advanced Headquarters approval is not required.

(5) The prenegotiation memorandum will be retained as part of the official contract file. Also, significant work papers supporting the development of the pricing objective will be retained as part of the official contract file documentations.

* * * * *

4. Section 18–3.501(b) has been revised to read as follows:

§ 18–3.501 Preparation of request for proposals or request for quotations.

* * * * *

(b) Generally, requests for proposals or quotations shall be in writing. Solicitations shall contain the information necessary to enable a prospective offeror to prepare a proposal or quotation properly. Written requests shall be as complete as possible and normally should contain the following information if applicable to the procurements involved:

(1) Request for proposals or request for quotations number and date of issuance;

(2) Title and/or number of the program or project (e.g., "Apollo S–IC Instrumentation");

(3) Name and address of procurement office issuing the request; identification of the individual responsible for supplying additional information or answering inquiries; complete address of person to receive proposals; number of copies of proposal required to be submitted;

(4) Closing date and time;

(5) With respect to late proposals or modifications, include the provision set forth in § 18–3.802–4(c) (this provision will be appropriately modified in the case of request for quotations); where Standard Form 33 (Solicitation, Offer, and Award) is used, the following notice shall be prominently set forth in the request for proposals:

NOTICE TO OFFERORS—LATE OFFERS AND MODIFICATIONS (JULY 1968)

Paragraph 8, "Late Offers and Modifications or Withdrawals," of Standard Form 33A does not apply to this solicitation. See the special provision in this solicitation entitled, "Late Proposals."

(6) Requirement for stipulation of a time within which the Government may accept the proposal;

(7) Number of pages and list of enclosures;

(8) Item description or statement of work;

(9) Type of contract contemplated (see § 18–3.803);

(10) Requirement for statement on contingent fees (see § 18–1.506(c));

(11) Statement on Buy American Act (§ 18–6.104–2) and requirement for Buy American Certificate (§ 18–6.104–3);

(12) Requirement that the offeror state whether he operates as an individual, partnership or corporation (showing state where incorporated);

(13) Statement that the selected contractor will or will not require access to classified information (see NASA Management Instruction 1650.1, "Industrial Security Policies and Procedures");

(14) Time of delivery or performance requirements (see § 18–1.305);

(15) Requirement that the proposal or quotation state the intended place of performance, including the street address, and the names and addresses of owner and operator of producing facilities, if other than offeror, when it is reasonably expected that such facilities will be used in the performance of the contract;

(16) Place and method of delivery;

(17) Provisions to be made for reliability assurance (see § 18–1.5105);

(18) A description of the quality assurance system to be used (see § 18–1.5003);

(19) Place, method, and conditions of inspection, test, and acceptance (see § 18–14.101 *et seq.*);

(20) Identification of the special factors, such as Government cost or other expenditures, including reliability and maintainability requirements, which will be considered in evaluating the proposals, together with an indication of the relative importance to be given these factors, where applicable (see § 18–3.804–2);

(21) Method and format of price quotation desired (fixed-price or cost type, if known at the time), including a reference to the necessity for cost or price breakdown (see § 18–3.501(c)(2)(ix));

(22) Description of information required to support proposed prices; e.g., subcontract structure, purchasing system, royalty, and cost and price information (see Subparts 18–3.8 and 18–3.9, Subpart 18–9.1 and Part 18–23);

(23) Information as to requirements for Certificate of Current Cost or Pricing Data (see § 18–3.807–3);

(24) When the New Technology clause of § 18–9.101–4 is to be applicable to the procurement, the provisions of §18–9.101–3(h) entitled "Waiver of Rights to Inventions" shall be included;

(25) Notice to offerors of the Government's desires as to the use of incentive considered applicable, objectives of the incentive performance goals, schedule milestones, critical delivery parameters, and similar information intended to elicit contractor response to the procurement objectives but without premature disclosures prejudicial to the Government's pre-negotiation position (see § 18–3.450);

(26) Notice to offerors of the possibility that award may be made without discussion of proposals (see § 18–3.102);

(27) The Certification of Independent Price Determination required by § 18–1.115;

(28) Contract clauses required by law or this Regulation, copies of applicable standard or NASA forms which will form a part of the contract, and any report forms or handbooks required to be used or followed in complying with the terms of the contract;

(29) Directions for obtaining copies of any documents, such as plans, drawings and specifications, which have been incorporated by reference (see § 18–1.1201);

(30) Instructions for disposition of drawings and specifications supplied with the request for proposals or request for quotations;

(31) Statement of information required to facilitate evaluation of technical and financial capabilities and a statement covering special technical capabilities which offerors must possess (see § 18–3.804);

(32) Instruction reflecting desirability of a separation between the contractor's "Business Management Quotation" and "Technical Quotation." For evaluation purposes separate quotations, where time permits, should be received; therefore, the format should be flexible enough to permit separate requirements (see § 18–3.802–4(a));

(33) List of any Government-furnished property (showing location and condition) including Government-owned tooling, which will be furnished for the performance of the contract, and any special provisions relating thereto;

(34) Requirement that information be furnished with respect to any Government-owned facilities, industrial equipment, or special tooling intended to be used in the performance of the contract, the value thereof, identification of the Government contract under which acquired, rental provisions, and other relevant information;

(35) Requirement that additional facilities to be provided by the Government be described and identified by category, such as "Land," "Buildings," "Machinery," "Equipment," etc., (see § 18–13.5105 for format);

(36) Requirement that additional special test equipment to be provided by the Government be described and its intended use, estimated cost, and proposed location be shown;

(37) Clear statement of option provisions (see Subpart 18–1.15 and § 18–12.1050);

(38) Requirement for the contractor to furnish data, when the requirement for data is known in advance of making the contract and delivery of data is definitely to be required in the performance of the contract (see Subpart 18–9.2 for detailed instructions and required clauses; see also § 18–3.852–3);

(39) Special provisions necessary for the particular procurement, relating to such matters as patents, data, copyrights (see Part 18–9); liquidated damages (see § 18–1.310); progress payments (see § 18–7.104–35);

(40) Requirement for information to be furnished on management engineering and consultant services specified in § 18–4.5205–2;

(41) When NASA Financial Management Reporting is to be applicable to the procurement (§ 18–7.104–53), offerors will be advised that the successful contractor will be required to report contract cost/manpower on a regular basis as set forth in NASA Handbook 9501.2A, "Procedures for Contractor Reporting Correlated Cost and Performance Data."

(42) A statement as follows:

UNNECESSARILY ELABORATE CONTRACTOR'S PROPOSALS (NOVEMBER 1965)

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective proposal are not desired and may be construed as an indication of the offeror's lack of cost consciousness. Elaborate art work, expensive paper and bindings and expensive visual or other presentation aids are neither necessary nor desired.

The above statement shall be appropriately modified where included in a request for quotations;

(43) If the contract is to be conditioned on the availability of funds, a clear statement of such conditions (see § 18–1.318);

(44) Requirement for submission of a proposed "Make or Buy" program (see Subpart 18–3.9);

(45) In accordance with the policy of § 18–1.304–2(d), the following statement and legend shall be included in all requests for proposals:

The proposal submitted in response to this request may contain technical data which the offeror, or his subcontractor offeror, does not want used or disclosed for any purpose other than evaluation of the proposal. The use and disclosure of any such technical data may be so restricted, *provided* the offeror marks the cover sheet of the proposal with the following legend, specifying the pages of the proposal which are to be restricted in accordance with the conditions of the legend:

Technical data contained in pages _____ of this proposal shall not be used or disclosed, except for evaluation purposes, provided that if a contract is awarded to this submitter as a result of or in connection with the submission of this proposal, the Government shall have the right to use or disclose this technical data to the extent provided in the contract. This restriction does not limit the Government's right to use or disclose any technical data obtained from another source without restriction.

The Government assumes no liability for disclosure or use of unmarked data and may use or disclose the data for any purpose. (October 1969).

(46) Requests for Proposal which will result in the placement of rated orders or Authorized Controlled Material Orders (see § 18–1.307) shall contain the following statement.

Contracts or purchase orders to be awarded as a result of this solicitation shall be assigned a (DX or DO as appropriate) rating or DMS allotment number (as appropriate) in accordance with the provisions of BDC Regulation 2 and/or DMS Regulation 1.

(47) [Reserved]

(48) If leases are involved, the facilities nondiscrimination paragraph set forth in § 18–1.350–4;

(49) When the use of Automatic Data Processing Equipment is applicable to the procurement (see § 18–3.804–2(c)(2) and Subpart 18–3.11), inclusion of the following provision:

"The Government reserves the right to require the preparation and submission of feasibility and lease versus purchase studies by the successful contractor if the use of Automatic Data Processing Equipment is proposed."

(50) In accordance with § 18–3.1203, the following notice:

DISCLOSURE STATEMENT—COST ACCOUNTING PRACTICES AND CERTIFICATION (MAY 1972)

Any contract in excess of $100,000 resulting from this solicitation, except when the price negotiated is based on: (1) established catalog or market prices of commercial items sold in substantial quantities to the general public, or (2) prices set by law or regulation, shall be subject to the requirements of the Cost Accounting Standards Board. Any offeror submitting a proposal, which, if accepted, will result in a contract subject to the requirements of the Cost Accounting Standards Board must, as a condition of contracting, submit a Disclosure Statement as required by regulations of the Board. The Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation (see (1) below) unless (i) the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated defense prime contracts during the period July 1, 1970 through June 30, 1971 totaling more than $30,000,000 (see (2) below), (ii) the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal (see (3) below), or (iii) post-award submission has been authorized by the Contracting Officer. CAUTION: A practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed to practice for pricing proposals or accumulating and reporting contract performance cost data.

Check the appropriate box below:

[ ] 1. CERTIFICATE OF CONCURRENT SUBMISSION OF DISCLOSURE STATEMENT(S)

The offeror hereby certifies that he has submitted, as a part of his proposal under this solicitation, copies of the Disclosure Statement(s) as follows: (i) original and one copy to the Cognizant Contract Administration Office (see DoD Directory of Contract Administration Components (DoD 4105.59H)); (ii) one copy to the cognizant contract auditor; and (iii) one copy to the Cost Accounting Standards Board, 441 G Street, NW., Washington, D.C. 20548.

Date of disclosure statement	*Name and address(es) of Cognizant Contract Administration Office where filed*

The offeror further certifies that practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement(s).

[ ] 2. CERTIFICATE OF MONETARY EXEMPTION

The offeror hereby certifies that, together with all divisions, subsidiaries, and affiliates under common control, he did not receive net awards of negotiated national defense price contracts during July 1, 1970 through June 30, 1971 totaling more than $30,000,000.

[ ] 3. CERTIFICATE OF PREVIOUSLY SUBMITTED DISCLOSURE STATEMENT(S)

The offeror hereby certifies that the Disclosure Statement(s) were filed as follows:

Date of disclosure statement	*Name and address(es) of Cognizant Contract Administration Office where filed*

The offeror further certifies that practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement(s).

(51) Statement as to requirement for jewel bearings (see § 18–1.315);

(52) Requirements set forth in § 18–1.351, if the procurement includes the furnishing of electro-sensitive initiating devices (squibs) or any other item or component designated in the procurement request as a potentially hazardous item;

(53) Requirement for representation as to small business and statement whether or not the offeror has previously been denied a Small Business Certificate (see § 18–1.903);

(54) Instructions that offeror promptly acknowledge receipt of the request for proposal or request for quotation and advise whether he intends to submit a proposal or offer;

(55) Statement that this request for proposal or request for quotation does not commit the Government to award a contract, the Government reserving the right to reject any or all proposals, or to negotiate separately with any source considered qualified; and that the contracting officer is the only individual who can legally commit the Government to the expenditure of public funds in connection with the proposed procurement (see § 18–3.801);

(56) Statement that this request for proposal or request for quotation does not commit the Government to pay any costs incurred in the submission of the quotation or in making necessary studies or designs for the preparation thereof, nor to procure or contract for services or supplies. Further, no costs may be incurred in anticipation of a contract with the exception that any such costs incurred at the proposer's risk may later be charged to any resulting contract to the extent that they would have been allowable if incurred after the date of the contract and to the extent authorized by the contracting officer (see § 18–15.205–30);

(57) The following provision shall be included in all requests for proposals to be evaluated pursuant to NASA Source Evaluation Board procedures, when award of a cost-reimbursement type contract (with or without incentive arrangements) is contemplated:

Once the prospective Contractor has been selected, the estimated costs submitted with its proposal shall not be subject to increase, except for changes in certified cost or pricing data submitted with the proposal, unless changes are made in the requirements of the requests for proposals. Furthermore, increases shall be considered only in regard to those requirements that are actually affected by the changes (whether the changes result in an increase or decrease in the requirements and whether they are initiated by the Government or the offeror), and then only to the extent that such changes are specifically identified and justified. Negotiation of such increases will be conducted separately, and not as part of a combined overall negotiation of the estimated cost and fee of the proposed contract. (February 1967)

(58) A statement requesting prospective offerors to list the names and telephone numbers of persons authorized to conduct negotiations;

(59) Requirements for performance and payment bonds (see Subpart 18–10.1).

(60) Requests for proposals and requests for quotations for contracts in excess of $1,000,000, where the conduct of research, experimental, design, engineering, or developmental work is contemplated, and in such contracts of lesser dollar value is deemed appropriate by the contracting officer and the technology utilization officer of the installation concerned, shall contain the following requirement:

PLAN FOR NEW TECHNOLOGY REPORTING (JUNE 1966)

Each offeror shall submit with his proposal a plan which he proposes to use in carrying out the provisions of the "New Technology" clause of the contracts. The plan shall describe:

(a) The size and nature of the scientific and technological efforts in which inventions, discoveries, improvements and innovations may be expected. Include the scientific disciplines involved in these efforts, and summarize the technical problems to be solved which you feel are most likely to generate new technology.

(b) The emphasis given to new technology reporting by the top levels of management of the organization, and the specific means (e.g., company directives, newsletters, briefings) to be used to communicate such emphasis to the organization.

(c) The organizational placement and qualifications of (i) the individual(s) assigned as Company Technology Utilization/New Technology Representative(s), and their staffs, and of (ii) any others having substantial and specific responsibilities for new technology reporting. Describe all significant organizational relationships.

(d) Plans for both the initial and the continuing indoctrination of senior project personnel, supervision, and of other appropriate technical personnel in the benefits, responsibilities and details of new technology reporting.

(e) The plans for conducting the "frequent periodic reviews" required by the "New Technology" clause. Include plans for supplementing existing Company invention reporting system(s) to insure reporting of that "new technology," which does not constitute invention (any new or improved products, devices, materials, processes, methods, scientific or technical computer programs, techniques, compositions, systems, machines, apparatuses, articles, fixtures, and tools, are reportable, whether or not they constitute invention).

(f) The details of actual documentation of reportable items, and the methods by which they will be reported. Include plans for (i) submission of sufficient detail to permit evaluation of the novelty and potential usefulness of the reportable items, (ii) avoiding unnecessary redocumentation by inclusion of existing documents or abstracts therefrom.

(g) Level of effort anticipated. (Quarterly/monthly rates and estimated disclosure output rates are desirable.)

(61) If the solicitation may result in contract awards of $10,000 or more and may generate 400 or more man-days of employment, as defined in the clause in 18–12.1102–2, include the following provision:

LISTING OF EMPLOYMENT OPENINGS (MARCH 1972)

Offerors should note that this solicitation includes a provision requiring the listing of employment openings with the local office of the State employment service system where a contract award is for $10,000 or more and will generate 400 or more man-days of employment.

(62) Where Standard Form 33 (Solicitation, Offer, and Award) is not used, a statement as follows:

ORDER OF PRECEDENCE. (JULY 1968)

In the event of an inconsistency between provisions of this solicitation, the inconsistency shall be resolved by giving precedence in the following order: (a) the Schedule; (b) Terms and Conditions of the solicitation; (c) General Provisions; (d) other provisions of the contract, where attached or incorporated by reference; and (e) the Specifications.

The foregoing statement may be modified to change the order or to add or delete items to meet the needs of a particular procurement;

(63) Where neither Standard Form 33 (Solicitation, Offer, and Award) nor Standard Form 18 (Request for Quotations) is used, a statement that prospective offerors may submit inquiries by writing or calling (collect calls not accepted) (*insert name and address,*

telephone area code, number, and extension);

(64) Where Standard Form 33 (Solicitation, Offer, and Award) is not used, a statement on the first sheet or on a cover sheet of the Request for Proposals that:

"Proposals Must Set Forth Full, Accurate, and Complete Information as Required by This Request for Proposal (Including Attachments). The Penalty For Making False Statements in Proposals is Prescribed in 18 U.S.C. 1001."

This statement shall be suitably modified when Quotations are requested;

(65) Where neither Standard Form 33 (Solicitation, Offer, and Award) nor Standard Form 18 (Request for Quotations) is used, a requirement for inclusion of "county" as part of quoter's/offeror's address will be inserted;

(66) Where Standard Form 33 (Solicitation, Offer, and Award) is not used, a statement that prospective offerors should indicate in the offer the address to which payment should be mailed, if such address is different from that shown for the offeror (Contracting officers shall include this information in all resultant contracts which are to be administered by a Defense Contract Administration Services Regional Office.);

(67) Any applicable wage determination of the Secretary of Labor (for construction contracts, see Subpart 18–12.4; for service contracts, see Subpart 18–12.11);

(68) [Reserved]

(69) Requirement for the offeror to: (i) furnish the date of the last review by the Government of his property control and accounting system and describe actions taken to correct any deficiencies found; (ii) state that he has reviewed, understands and can comply with all property management and accounting procedures set forth in the RFP, Appendix B to the NASA PR and NASA Handbook 9500.2; and (iii) state whether or not the costs associated with subdivision (ii) of this subparagraph are included in his cost proposal.

(70) The "Patent Royalties" clause set forth in § 18–9.102–2(f)(2);

(71) To insure timely distribution of Material Inspection and Receiving Reports (DD Form 250), include distribution instructions in the Schedule or as an attachment to the contract (see Appendix I);

(72) Unless exempted by § 18–12.805 from inclusion of the Equal Opportunity clause, the representations set forth in § 18–12.806(b).

(73) Unless exempted by § 18–12.805 from inclusion of the Equal Opportunity clause on the face page or cover sheet of the solicitation, these notices:

I. NOTE THE AFFIRMATIVE ACTION REQUIREMENT OF THE EQUAL OPPORTUNITY CLAUSE WHICH MAY APPLY TO THE CONTRACT RESULTING FROM THIS SOLICITATION.

II. NOTE THE CERTIFICATION OF NONSEGREGATED FACILITIES IN THIS SOLICITATION.

Bidders, offerors and applicants are cautioned to note the "Certification of Nonsegregated Facilities" in the solicitation. Failure of a bidder or offeror to agree to the certification will render his bid or offer nonresponsive to the terms of solicitations involving awards of contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause. (October 1971)

(74) In accordance with § 18–12.806(a), the notice of Pre-Award On Site Equal Opportunity Compliance Review set forth therein.

(75) If the contract involves performance of services on a Government installation, the following provision:

SITE VISIT (JULY 1968)

Offerors are urged and expected to inspect the site where services are to be performed and to satisfy themselves as to all general and local conditions that may affect the cost of performance of the contract, to the extent such information is reasonably obtainable. In no event will a failure to inspect the site constitute grounds for a claim after award of the contract.

(76) When the procurement involves a set-aside for small business concerns, the following provision:

This is a ___% set-aside for small business concerns.

(77) When the procurement involves a set-aside for labor surplus area concerns, the following provision:

This is a ___% set-aside for labor surplus area concerns.

(78) Include the Notice to Offerors (July 1971) as set forth in § 18–2.201–1(a)(59).

(79) Requirement for a System Safety Program Plan in accordance with Subpart 18–1.53 when the procurement covers a major hardware system and SEB procedures will be employed.

NOTE.—When the procurement is noncompetitive the offeror shall be required to submit, with the proposal, its detailed System Safety Program Plan and the cost and manpower estimates required to perform major tasks under the Plan.

* * * * *

5. Section 18–3.604 is revised to read as follows:

§ 18–3.604 Competition and price reasonableness.

§ 18–3.604–1 Purchases not in excess of $250 ($300 for emergency procurements using imprest funds).

Small purchases not exceeding $250 ($300 for emergency procurements using imprest funds) may be accomplished without securing competitive quotations if the prices are considered to be reasonable. Such purchases shall be distributed equitably among qualified suppliers. When practical, a quotation will be solicited from other than the previous supplier prior to placing a repeat order. The administrative cost of verifying the reasonableness of the price of purchases not in excess of $250 ($300 for emergency procurements using imprest funds) may more than offset potential savings in detecting instances of overpricing; therefore, action to verify the reasonableness of the price need be taken only when the buyer or contracting officer suspects that, or has information to indicate that, the price may not be reasonable, e.g., comparison to previous price paid, personal knowledge of the item involved.

§ 18–3.604–2 Competition in purchases in excess of $250.

(a) The procedures in paragraphs (b), (c), and (d) of this section apply to purchases in excess of $250 made pursuant to this subpart.

(b) Solicitation of quotations from a reasonable number of qualified sources of supply shall be made to assure that the procurement is to the advantage of the Government, price and other factors considered, including the administrative cost of the purchase. Generally, solicitation shall be made of at least three suppliers and, to the maximum extent possible, shall be restricted to the local trade area of either the purchasing or the receiving activity. If practicable, two sources not included in the previous solicitation should be requested to furnish quotations. Quotations should generally be solicited orally. Written solicitations should be used when (1) the suppliers are located outside the local area, (2) special specifications are involved, (3) a large number of line items are included in a single proposed procurement, or (4) obtaining oral quotations is not considered economical or possible.

(c) Reasonableness of a proposed price should be based on competitive quotations. If only one response is received, or the price variance between multiple responses reflects lack of adequate competition, a statement shall be included in the contract file setting forth the basis of the determination of fair and reasonable price. This determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items in a related industry, value analysis, the contracting officer's personal knowledge of the item being procured, or any other means. Written records of solicitation may be limited to notes or abstracts to show vendor or vendors contacted, prices, delivery, and any other informal historical data. If a separate form is used for documentation of price reasonableness, DD Form 1784, Small Purchase Pricing Memorandum, shall be used. If this form is not used, the price reasonableness statement shall be used on one or more of the criteria set forth on the form. (Local reproduction of DD Form 1784 is authorized.) In any case, the contracting officer should gain as much knowledge as practicable of the physical and material characteristics and intended use of the item to be purchased. When only one source is solicited, a justification, in the form prescribed by § 18–3.802–3(d)(1), must be made a part of the file to explain the absence of competition, except for procurement of utility services available only from one source or of educational services from nonprofit institutions. Notification to unsuccessful suppliers shall be given only if requested.

(d) Occasionally an item can be obtained only from a supplier who quotes a minimum order price or quantity, which either unreasonably exceeds stated quantity requirements, or results in an unreasonable price for the quantities re-

quired. If practicable before placing the order, the requiring activity should be informed in such cases of all facts regarding the quotation and requested to confirm or alter its requirement for the item or items under consideration. The file shall be documented to support the final action taken.

6. Sections 18–3.800 and 18–3.801 are revised in their entirety as follows:

§ 18–3.800 Scope of subpart.

This subpart sets forth the price negotiation policies and techniques applicable to negotiated prime contracts and those subcontracts which are subject to consent by the Government. The principles in this subpart apply to negotiation of prices on all types of contracts and to revised prices as well as initial prices.

§ 18–3.801 Basic policy.

§ 18–3.801–1 General.

It is the policy of NASA to procure supplies and services from responsible sources at fair and reasonable prices calculated to result in the lowest ultimate overall cost to the Government. Good pricing depends primarily upon the exercise of sound judgment by all personnel concerned with the procurement.

§ 18–3.801–2 Responsibility of contracting officers.

(a) Contracting officers, or their authorized representatives acting within the scope of their authority, are the exclusive agents of NASA to enter into and administer contracts on behalf of the Government in accordance with Regulation and agency procedures. Each contracting officer is responsible for performing or having performed all administrative actions necessary for effective contracting. The contracting officer shall avail himself of all appropriate organizational tools such as the advice of specialists in the fields of contracting, finance, law, contract audit, engineering, and price analysis.

(b) To the extent services of specialists are utilized in the negotiation of contracts, the contracting officer must coordinate a team of experts, requesting advice from them, evaluating their counsel, and availing himself of their skills. He shall not, however, transfer his own responsibilities to them. Thus, determination of the suitability of the contract price to the Government always remains the responsibility of the contracting officer.

(c) When the contractor insists on a price or demands a profit or fee which the contracting officer considers unreasonable, the contracting officer shall (1) determine the feasibility of developing an alternate source of supply, or (2) take any other action within his authority. If, after exhausting the above course of action, a satisfactory solution has not been obtained, the contracting officer shall refer the prospective procurement to higher authority. Such referral shall include a complete statement of the attempt made to resolve the matter. With regard to a contractor's refusal to provide cost or pricing data, see § 18–3.807–6.

(d) Pricing based on cost analysis involves, among other things, an appraisal of estimates of costs expected to be incurred in the future. The accounting projection of trends based on cost or pricing data, together with any known changes therein, is only one method of conducting this appraisal, others[1] being:

(1) And engineering appraisal of the need for the estimated labor and material costs and of tooling and facilities, and the reasonableness of scrap and spoilage factors, and

(2) The preparation of independent estimates by competent technical personnel.

Occasionally, differences of opinion will exist not only on the reasonableness of cost projections but also on the accounting techniques on which they are based. In addition, it is normally not possible to negotiate a pricing result which is in strict accord with all of the opinions of all of the specialists, or even with the Government's pricing objective. Reasonable compromises are normally necessary and this fact must be understood by all members of the team. For all of these reasons audit reports or pricing recommendations by others must be considered to be advisory only. The contracting officer is responsible for the exercise of the requisite judgments and is solely responsible for the final pricing decision. When the contracting officer does not adopt audit or other specialist recommendations that have particular significance on the contract price, comments should be included in the record of the negotiation.

(e) Whenever it becomes apparent to the contracting officer that the negotiations will require the resolution of complex problems which involve items significant in amount, he shall request attendance by appropriate representatives at the negotiation meeting.

§ 18–3.801–3 Responsibility of requirements personnel at NASA installations.

(a) Personnel other than the contracting officer, who determine type, quality, quantity, and delivery requirements for items to be purchased, can influence the degree of competition obtainable and exert a material effect upon prices. Failure to determine requirements in sufficient time to allow:

(1) A reasonable period for preparation of requests for proposals;

(2) Preparation of quotations by offerors;

(3) Contract negotiation and preparation; or

(4) Adequate manufacturing lead time;

causes delays in deliveries and uneconomical prices. Requirements issued on an urgent basis or with unrealistic delivery schedules should be avoided since they generally increase prices or restrict desired competition.

(b) NASA requirements personnel are responsible for conducting a technical evaluation of proposals to determine whether the product or service offered will meet specifications. In addition, when a cognizant contract administration office is not requested to perform a technical analysis of proposals in accordance with § 18–3.801–5, such an analysis will be the responsibility of NASA requirements personnel.

§ 18–3.801–4 Responsibility of pricing personnel at NASA installations.

(a) The contract pricing team available to support the contracting officer in the review and analysis of pricing proposals includes the price analyst, negotiator, buyer, and project engineer, at the NASA installation.

(b) The price analyst or negotiator supporting the contracting officer may be designated to develop a Government pricing objective prior to the negotiation. This includes the responsibility for determining the extent of advice required from other specialists, requesting, obtaining, and considering such advice, and for consolidating pricing data, including cost and price analyses, historical cost or pricing data, independent Government cost estimates, economic analyses and the like. The advice and assistance of the price analyst/negotiator should always be obtained when complex pricing techniques are indicated, including the use of contract types involving the skillful balancing of price, cost and performance incentive arrangements. In many instances, he will be in the best position to conduct the price negotiation.

§ 18–3.801–5 Responsibility of DOD field pricing support personnel.

(a) *Field pricing support.* Field pricing support involves analysis of the contractor's price proposal by any or all of the field technical and professional specialists including, but not limited to, the cognizant contract administration office; contract auditor; price analyst; quality assurance personnel; engineers; and legal and small business specialists. The cognizant contract administration office shall function as the team manager for all NASA contracting officer requests for field pricing support. Therefore all requests for field pricing support shall be forwarded to the cognizant field contract administration activity. However, there shall be no constraints on the lines of communication with the contracting officer, contract administration office, and contract auditor interface.

(b) *Field pricing reports on contract price proposals.*

[1] (NOTE.—The "Armed Services Procurement Regulation Manual for Contract Pricing," ASMP No. 1 may be used as a guide in the review, analysis and negotiation of contract prices. However, users are cautioned that parts of the manual contain special Department of Defense procurement techniques not adaptable or authorized for use by NASA, e.g., Weighted Guidelines and Contract Definition.)

(1) Prior to negotiation of a contract or modification resulting from a proposal in excess of $100,000 (including initial prices, estimated costs of cost-reimbursement types, interim and final price redeterminations, escalation, target, and settlement of incentive types) when the price is based on cost or pricing data (§ 18-3.807-3) submitted by the contractor, the NASA contracting officer or his authorized representative shall request a field pricing support report (which includes an audit review by the contract audit activity) unless information already available to the contracting officer is adequate to determine the reasonableness of the proposed cost or price. Whenever the NASA contracting officer determines that current data is adequate to support a waiver of a field pricing support report, he shall document the contract file to reflect the reason for such waiver. Information of the type described in subdivisions (i) through (vi) of this subparagraph (1) may be useful in reaching a decision whether or not a field pricing support report should be waived.

(i) In-house engineering determination of level of effort required in connection with research and development or study contracts.

(ii) Audited cost information from contract awards in process, or recently negotiated contracts.

(iii) Adequately reviewed data on proposed subcontract items which constitute the major portion of the prime contract price proposal.

(iv) Prices of standard commercial items which constitute the major portion of the prime contract price proposal.

(v) Special forward pricing formulas or rates such as for support items, or forecast overhead rates, prescribed in an existing advance agreement.

(vi) Current labor rates, overhead rates, loading factors, per diem rates, and lot data based upon actual costs and labor hours.

It should be borne in mind that no single category of information is necessarily sufficient by itself; for example, information as to rates for labor and overhead would normally require data concerning the base elements—labor hours, material costs, etc.—to which the rates apply.

(2) Ordinarily, field pricing support reports should not be requested for proposed contracts or modifications of less than $100,000 except in instances, such as a lack of knowledge of the particular contractor, sensitive conditions, or an inability to perform an acceptable degree of price analysis, and thereby establish a reasonable pricing result. Before requesting field pricing support for lower dollar offers, the contracting officer should consider utilizing price analysis techniques (§ 18-3.807-2(b)) or the information cited in subparagraph (1) (i) through (vi) of this paragraph (b) to establish the reasonableness of the proposed price.

(3) The contracting officer shall forward the request to the cognizant contract administration office (copy to the cognizant contract audit activity) clearly stipulating specific areas for which input is required and assigning a realistic deadline for receipt of the field pricing support report. The request shall be accompanied by any information, including applicable portions of the RFP and the offeror's proposal, which would be useful in the evaluation of the proposal. In sole source procurements, when the contracting officer knows in advance that field pricing support will be required, he should provide the cognizant contract administration office and auditor a copy of the solicitation at the time of release. In addition he may require the contractor to provide copies of his proposal direct to the cognizant contract administration office and auditor. In this event the contracting officer shall, as soon as possible after receipt of the contractor's proposal, identify those specific areas for which field pricing support is required.

(4) The cognizant contract administration office, as well as the contract auditor, are responsible for providing a complete and accurate field pricing support report to the contracting officer. To accomplish this end the cognizant contract administration office must:

(i) In concert with the auditor, and in consideration of the required date established by the contracting officer, establish a deadline for the auditor's input, subject to date adjustments when considered necessary (adjustment will be coordinated by the cognizant contract administration office with the contracting officer and the contract auditor);

(ii) Identify areas for special consideration (these are areas in addition to those specified by the contracting officer);

(iii) Arrange for exchanges of technical and audit information and coordination between the cognizant contract administration office and audit activities; and

(iv) Be fully responsive to a request for technical information from the auditor.

(5) The contract auditor shall treat the copy of the contracting officer's request as a signal to arrange for and begin the audit work. He must be fully responsive to the request of the cognizant contract administration office and he must communicate any change in audit schedule which may be required. The scope and depth of the audit, subject to time constraints, is the responsibility of the contract auditor. In addition, specific requirements in the contracting officer's request shall be accommodated. The dollar effect of technical input vital to the audit shall be computed by the contract auditor and included in his report. The auditor's completed report shall be sent to the cognizant contract administration office for inclusion, without change, in the field pricing support report to the contracting officer.

(6) When providing pricing support to the contracting officer, the cognizant contract administration office has primary responsibility for consolidating and evaluating the findings of the pricing team members at the contract administration and contract audit offices and for the analysis of proposed prices in consideration of, but not limited to, such factors as the need for quantities and kinds of materials included in the proposal; the need for the number and kinds of manhours; the need for special tooling and facilities; and the reasonableness of scrap and spoilage factors. These analyses by the cognizant contract administration officer and his team shall be based on their knowledge of such factors as production, quality assurance, engineering and manufacturing practices and techniques, and information as to plant capacity, scheduling, engineering and production "know-how," Government property, make or buy considerations, and industrial security, particularly as these relate to practices of the specific prospective contractor.

(7) The contract auditor is responsible for submission of information and advice, based on his analysis of the contractor's books and accounting records or other related data, as to the acceptability of the contractor's incurred and estimated costs. The auditor shall report any denial by the contractor of access to records or cost or pricing data which the auditor considers essential to the preparation of a satisfactory report. If the auditor believes that the contractor's estimating methods or accounting system are inadequate to produce valid support for the proposal or to permit satisfactory administration of the type of contract contemplated, this shall be stated in the audit report and concurrently made known to the contractor so that he may have the opportunity of presenting his views to the contracting officer and the cognizant contract administration office. When the contracting officer determines that deficiencies in the contractor's accounting system or estimating methods are such that the proposed contract cannot be adequately priced or administered, he shall, with the advice of the contract auditor and the cognizant contract administration office assure that necessary corrective action is initiated prior to the award of such contract. The auditor is responsible for performing that part of reviews and cost analyses which requires access to the contractor's books and financial records supporting proposed cost or pricing data, regardless of the dollar amount involved. Only the auditor shall have general access to the books and financial records for this purpose. This does not preclude the contracting officer, the cognizant contract administration officer, or their technical representative from requesting any data from, or reviewing records of, the contractor (such as lists of labor operations, process sheets, etc.) necessary to the discharge of their responsibilities.

(8) The efforts of all field pricing support team members are complementary, advisory and also offer an excellent check and balance of the various analyses imperative to the contracting officer's final pricing decision. Therefore it is essential that there be close understanding, cooperation and communication to ensure the exchange of information of mutual

interest during the period of analysis. While they shall review the data concurrently when possible, each shall render his services within his own area of responsibility. For example, on quantitative factors (such as labor hours), the auditor may find it necessary to compare proposed hours with hours actually expended on the same or similar products in the past as reflected on the cost records of the contractor. From this information he can often project trend data. The technical specialist may also analyze the proposed hours on the basis of his knowledge of such things as shop practices, industrial engineering, time and motion factors, and the contractor's plant organization and capabilities. The interchange of this information will not only prevent duplication but will assure adequate and complementary analysis.

(9) During the course of the examination, the cognizant contract administration office and the auditor shall each confer with the contractor to fully understand the basis for each item in the contractor's proposal and to remove any doubts as to the validity and accuracy of their conclusions and findings. Before such discussions are concluded, they should have explored and discussed with the contractor any discrepancies noted in their examinations involving cost or pricing data as defined under § 18–3.807–3(c).

(10) The auditor, as part of his report, shall set forth the basis and method used by the contractor in preparing his proposal. Also, the report shall clearly identify the contractor's original proposal and all subsequent written formal submissions to the contracting officer or to the auditor by which cost or pricing data was furnished or identified by the contractor (see § 18–3.807–3(d)). In addition, cost or pricing data not submitted by the audit report. If the auditor considers that the cost or pricing data submitted by the contractor are not accurate, complete and current, or that cost representations are unsupported, this information will be made known in his audit report. When the resulting overall effect of those deficiencies on the proposed cost or price is of such magnitude that the usefulness of the contractor's proposal is considerably impaired as a basis for negotiation, the contracting officer should be advised promptly to enable corrective action to proceed without delay. The above is not intended to relieve the contractor of his obligation to submit accurate, complete and current cost or pricing data.

(11) Reports of technical analysis and review should be furnished by the cognizant contract administration office to the auditor at the earliest possible date and at least five days prior to the due date of the audit report to enable the auditor to include the financial effect of technical findings in the audit report (for example, the necessary computations of dollar amounts arising from changes in proposed kinds and quantities of materials, labor hours, etc.). In the event the technical analyses are not available in time to be reflected in the audit report, the audit report shall so state, and this shall be made known to the cognizant contract administration office so that comments may be incorporated in his submission to the contracting officer. If technical analyses are received later by the auditor, he shall issue a supplemental report if the status of the negotiation is such that a report would serve a useful purpose. The original of all technical reports received by the auditor shall be made a part of the audit report submitted to the cogizant contract administration office.

(12) If in the opinion of the contracting officer, cognizant contract administration office, or auditor, the review of a prime contractor's proposal requires further review of subcontractors' cost estimates at the subcontractors' plants (after due consideration or reviews performed by the prime contractor), such reviews should be fully coordinated with the contract administration office having cognizance of the prime contractor before being initiated. If a review is required of a subcontract proposal, the cognizant prime contract administration office shall forward the request to the cognizant subcontract administration office with an information copy to the subcontract auditor. In the event a lower tier subcontract proposal requires review, the request should be coordinated in sequence with the cognizant contract administration offices at higher tiers in the subcontract chain. The resulting pricing reports, including any audit reports, shall be forwarded by the cognizant subcontract administration office to the cognizant prime contract administration office with an information copy to the prime auditor. If the review is of a lower tier subcontract proposal, the report shall be transmitted through the cognizant contract administration offices in the subcontract chain.

(13) The audit report, giving the financial effect of related technical, subcontract, and other evaluations, shall be forwarded by the auditor to the cognizant contract administration office (price analyst or negotiator) who shall query the auditor or technical personnel about matters in audit or technical reports which appear to need clarification. When developing the statement to the contracting officer, comments or observations shall be added about pertinent matters whether or not covered in the audit or technical reports. However, it is not contemplated, for example, that the price analyst or negotiator should attempt an examination of the contractor's accounting records for this purpose since the contract auditor has this responsibility. If any information disclosed subsequent to the audit report significantly affects the audit findings, the cognizant contract administration office should promptly advise the auditor, who shall determine whether to issue a supplemental report.

(14) The cognizant contract administration office shall transmit to the contracting officer by the date requested the field pricing report (including the original copy of the audit report). A copy of the field pricing report (less the audit report and technical evaluation) shall be furnished to the contract auditor.

(15) The field pricing reports shall be made a part of the official contract file.

(16) Information generated through sources other than the contractor's records may be available to the contracting officer which may significantly affect the Government's negotiating position. The cognizant contract administration office and the auditor, therefore, shall not disclose to the contractor their conclusions and recommendations to the contracting officer on the contractor's proposed costs or estimates to complete. No portion of the reports of the cognizant contract administration office or the auditor shall be furnished to the contractor without the concurrence of the contracting officer responsible for the negotiations. The above limitations are not intended to preclude disclosure of discrepancies or mistakes of fact such as duplications, omissions, and errors in computations, contained in the contractor's cost or pricing data supporting the proposal.

7. Section 18–3.802–3(d) is revised to read as follows:

§ 18–3.802–3 Noncompetitive procurement.

* * * * *

(d) *Review and approval.* The "Justification" shall, as a minimum requirement, be reviewed and approved as follows:

(1) For small purchases in excess of $250, but not in excess of $2,500, the "Justification" may be in the form of a statement and shall be submitted for the approval of the contracting officer.

(2) For procurements in excess of $2,500, but not in excess of $100,000, the "Justification" shall be submitted for the approval of the Procurement Officer or his designees after prior review and written concurrence by the initiating technical individual's immediate superior. (For the purpose of this requirement, the term "or his designees" shall mean the individuals authorized by the Procurement Officer to sign the "Justification." Such authorization shall be in writing and shall not be delegated beyond the first level of supervision below the Procurement Officer.)

(3) For procurements in excess of $100,000, but less than the dollar amount set forth below for the installation concerned, the "Justification" shall be submitted for the approval of the Procurement Officer or his designee after prior review and written concurrence by the head of the cognizant technical division or laboratory, as applicable. (For the purpose of this requirement, the term "or his designee" shall mean the individual authorized by the Procurement Officer to sign the "Justification." Such authorization shall be in writing and shall not be delegated to more than one individual.)

(i) $250,000
Flight Research Center
Wallops Station

(ii) $500,000
Headquarters Contracts Division
Kennedy Space Center
NASA Pasadena Office

(iii) $1,000,000
Ames Research Center
Goddard Space Flight Center
Johnson Space Center
Langley Research Center
Lewis Research Center
Marshall Space Flight Center

(4) For procurements within the range of the dollar amounts set forth below for the installation concerned, the "Justification" shall be submitted for the approval of the Head of the Installation, his Deputy or Associate Director (the title "Associate Director" means a full Associate Director and not an Associate Director for ------) after prior review and written concurrences by the Director or Assistant Director of the cognizant technical directorate, cognizant Program Manager, or cognizant staff official, as applicable, who reports directly to the Head of the Installation, and by the Procurement Officer.

(i) $250,000 but less than $500,000
Flight Research Center
Wallops Station

(ii) $500,000 but less than $1,000,000
Headquarters Contracts Division
Kennedy Space Center
NASA Pasadena Office

(iii) $1,000,000, but less than $2,500,000
Ames Research Center
Goodard Space Flight Center
Johnson Space Center
Langley Research Center
Lewis Research Center
Mashall Space Flight Center

(5) For procurements that are selected for Headquarters review and approval in accordance with the Master Buy Plan Procedure (see Subpart 18–50.2), the "Justification" shall be submitted for the signature of the Head of the Installation after prior review and written concurrences by the Director or Assistant Director of the cognizant technical directorate, cognizant Program/Project Manager, or cognizant staff official, as applicable, who reports directly to the Head of the Installation, and by the Procurement Officer. The "Justification" shall contain additional signature blocks, for approval by the Administrator and for concurrences the Director of Procurement, the cognizant Program Associate Administrator or Functional Office Assistant Administrator, the Assistant Administrator for Administration, the Associate Administrator for Organization and Management, and the Deputy Administrator.

The original and twenty copies of the "Justification" shall be submitted in the case of those procurements under the cognizance of the Office of Manned Space Flight. In all other instances the original and ten copies shall be submitted. The position title will be shown for each individual signing the "Justification" as required by subparagraphs (1) through (5) of this paragraph (d).

* * * * *

8. Section 18–3.807–1 is revised to read as follows:

§ 18–3.807–1 General.

(a) *Policies.* Policies set forth in this Subpart 18–3.8 may be applied in a variety of ways in the evaluation of offerors' or contractors' proposals and in the negotiation of contract prices. The following paragraphs describe the principal price and cost evaluation techniques and the circumstances under which each may be used. They are equally applicable to initial and subsequent price negotiations.

(b) *Adequate price competition and catalog or market prices.* For the purpose of this § 18–3.807, the terms "adequate price competition" and "established catalog or market prices of commerical items sold in substantial quantities to the general public" shall be construed in accordance with the following general guidelines.

(1) *Adequate price competition.* (i) Price competition exists if offers are solicited and (*a*) at least two responsible offerors (*b*) who can satisfy the purchaser's (e.g., the Government's) requirements (*c*) independently contend for a contract to be awarded to the responsive and responsible offeror submitting the lowest evaluated price (*d*) by sumitting priced offers responsive to the expressed requirements of the solicitation. Whether there is price competition for a given procurement is a matter of judgment to be based on evaluation of whether each of the foregoing conditions (*a*) through (*d*) of this subparagraph (1)(i) is satisfied. Generally, in making this judgment, the smaller the number of offerors, the greater the need for close evaluation.

(ii) If conditions (*a*) through (*d*) in subparagraph (1)(i) are met, price competition may be presumed to be "adequate" unless the purchaser (e.g., the contracting officer) finds that:

(*a*) The solicitation was made under conditions that unreasonably deny to one or more known and qualified offerors an opportunity to compete;

(*b*) The low competitor has such a determinative advantage over the other competitors that he is practically immune to the stimulus of competition in proposing a price (e.g., a determinative advantage because substantial costs, such as start-up or other nonrecurring expenses, have already been absorbed in connection with previous sales, thus placing the competitor in a preferential position); or

(*c*) The lowest final price is not reasonable and supports such finding by an enumeration of the facts upon which it is based; provided, that such finding is approved by the Procurement Officer or his deputy.

(iii) A price is "based on" adequate price competition if it results directly from such competition or, if price analysis (not cost analysis) shows clearly that the price is reasonable in comparison with current or recent prices for the same or substantially the same items procured in comparable quantities under contracts awarded as a result of adequate price competition (e.g., (*a*) exercise of an option in a contract for which there was adequate price competition if the option price has been determined to be reasonable in accordance with § 18–1.1504(d) and the option price is not greater than the contract price; and (*b*) and item is normally procured competitively but in a particular situation only one offer is solicited or received, and the price clearly is reasonable in comparison with recent purchases of comparable quantities for which there was adequate price competition.)

(2) *Established catalog or market prices of commercial items sold in substantial quantities to the general public.* (i) Application of this exception also requires judgment and analysis on a case-by-case basis. In making this judgment, the various elements of the term must be considered and a price must meet all these conditions in order to be considered for exception. In other words, the price must be, or based on: (*a*) an established catalog or market price, (*b*) of commercial items, (*c*) sold in substantial quantities, (*d*) to the general public.

(ii) The following criteria should be applied in determining whether an item falls within the scope of this exception:

(*a*) An *"established catalog price"* is a price included in a catalog, price list, schedule, or other form that (*1*) is regularly maintained by the manufacturer or vendor, (*2*) is either published or otherwise available for inspection by customers, and (*3*) states prices at which sales are currently, or were last, made to a significant number of buyers constituting the general public. An "established market price" is a current price, established in the usual and ordinary course of trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or vendor.

(*b*) A *"commercial item"* is an item, which term included both supplies and services, of a class or kind which (*1*) is regularly used for other than Government purposes, and (*2*) is sold or traded in the course of conducting normal business operations.

(*c*) Commercial items are "sold in substantial quantities" when the facts or circumstances support a reasonable conclusion that the quantities regularly sold are sufficient to constitute a real commercial market for the supplies or services. Nominal quantities such as models, specimens, samples, and prototype or experiment units, cannot be considered as meeting this requirement. Services are sold in substantial quantities if they are customarily provided by the contractor, with personnel regularly employed, and with equipment, if any is necessary, regularly maintained, solely or principally

for the purpose of providing such services. There must be a sufficient number of commercial buyers so that their purchases establish an ascertainable going price for the service. Although substantial quantity cannot be precisely defined, sales to the general public should normally be regarded as substantial if all the following criteria (see § 18–3.807–3 (a) and DD Form 633–7) are met, (*1*) Category B and C sales of the total of Category A, B, and C sales, and (*2*) Category B sales total 75% or more of the total of Category B and C sales. If Category B and C sales total less than 35% of the total of Category A, B, and C sales, or Category B sales are less than 55% of the total of Category B and C sales, the contracting officer should rarely grant an exemption. When percentages fall between those stated above, the contracting officer should make a particularly thorough analysis before deciding to grant an exemption.

(*d*) An item is sold *"to the general public"* if it is sold to other than affiliates of the seller for end use by other than the Government. Items sold to affiliates of the seller and sales for end use by the Government are not sales to the general public.

(iii) A price may be considered to be "based on" established catalog or market prices of commercial items sold in substantial quantities to the general public if the item being purchased is sufficiently similar to such a commercial item to permit the difference between the prices of the items to be identified and justified without resort to cost analysis.

(iv) As an item is being analyzed to determine if it qualifies for exemption from the requirements for submission of certified cost or pricing data, price analysis should concurrently be performed to determine the reasonableness of the price and the need for further negotiation. This analysis may require more information than is contained in the DD Form 633–7 "Claim for Exemption From Submission of Certified Cost or Pricing Data." While the additional information required may be available from Government sources, it may be necessary to obtain it from the prospective supplier. The specific information will vary with the procurement involved but may include:

(*a*) The supplier's marketing system, that is, use of jobbers, brokers, sales agencies, distributors, etc.;

(*b*) The services normally provided commercial purchasers (e.g., engineering, financing, advertising or promotion);

(*c*) Normal quantity per order; and

(*d*) Annual volume of sales to largest customers.

9. Section 18–3.807–3 is revised to read as follows:

§ 18–3.807–3 Cost or pricing data.

(a) The contracting officer shall require the contractor to submit, either actually or by specific identification in writing, cost or pricing data in accordance with § 18–16.202 and to certify, by use of the certificate in paragraph (b) of the clause set forth in § 18–3.807–4, that, to the best of his knowledge and belief, the cost or pricing data he submitted was accurate, complete, and current prior to:

(1) The award of any negotiated contract (other than a letter contract) expected to exceed $100,000 in amount;

(2) The pricing of any contract modification expected to exceed $100,000 in amount to any formally advertised or negotiated contract whether or not cost or pricing data was required in connection with the initial pricing of the contract when the modification involves aggregate increases and/or decreases in costs plus applicable profits expected to exceed $100,000. (For example, the requirement applies to a $30,000 modification resulting from a reduction of $70,000 and an increase of $40,000, or as another example, when the modification results in no change in contract price because there is an increase of $200,000 and a reduction of $200,000. However, this requirement shall not apply when unrelated and separately priced changes for which cost or pricing data would not be required are included in the same modification for administrative convenience);

(3) The award of any negotiated contract not expected to exceed $100,000 in amount or any contract modification not expected to exceed $100,000 in amount to any formally advertised or negotiated contract whether or not cost or pricing data was required in connection with the initial pricing of the contract, provided the contracting officer considers that the circumstances warrant such action in accordance with paragraphs (g) and (h) of this section; unless the contracting officer determines, in writing, that the price negotiated is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. The requirements under subparagraphs (1) and (2) of this paragraph (a) may be waived in exceptional cases where the Associate Administrator for Organization and Management, or the Director of Procurement authorizes such waiver and states in writing his reasons for such determination. The determination will set forth the procedures followed in attempting to obtain cost and pricing data, including any direct requests therefor, the contractor's reasons for refusing to submit cost or pricing data or reasons why data submitted by the contractor could not be used, and other efforts made by NASA to obtain confirmation of the accuracy of pricing from sources other than the contractor. Whenever the "Contractor and Subcontractor Certified Cost or Pricing Data" clause set forth in § 18–3.807–4 is to be included in the contract, it should also be included in the request for proposals, the invitation for bids, or the request for quotations.

(b) Any contractor who has been required to submit and certify cost or pricing data in accordance with paragraph (a) of this section shall also be required to obtain cost or pricing data from his subcontractors under the circumstances set forth in the clause in § 18–3.807–4.

(c) Cost or pricing data furnished by a subcontractor or a prospective subcontractor pursuant to § 18–3.807–3(b), must be submitted to the prime contractor or higher-tier subcontractor. It is the responsibility of the prime contractor and higher-tier subcontractor to review and evaluate the subcontract proposal and accompanying cost or pricing data and furnish the results of such review and evaluation to the Government as part of their cost or pricing data submission.

(d) (1) When, in the contracting officer's opinion, the prime or higher-tier subcontractor's analysis of the subcontract proposal is inadequate, the contracting officer will return the analysis package to the prime for re-accomplishment. The contracting officer should indicate the areas of inadequacy of review.

(2) It is the prime contractor's responsibility to accomplish or cause the accomplishment of the additional review required and resubmission of the package to the contracting officer.

(3) If the prime or higher-tier subcontractor is unable to accomplish required additional analysis for justifiable reason, the Government will assist in the performance of the limited additional review required. The prime contractor must submit in these instances convincing evidence to the contracting officer that the prime or higher-tier subcontractor is unable to accomplish the additional analysis either because the additional review would jeopardize the subcontractor's competitive position or proprietary data is involved. In these instances, however, the contracting officer must furnish to the contract administration office the review package accomplished by the prime or higher-tier subcontractor.

(4) In addition to the situations discussed in paragraphs (d) (1) through (d) (3) of this section, there may be occasions when a prospective prime contractor or higher-tier subcontractor will request the contract administration office assistance to perform or assist in performing a limited or complete review and evaluation of a subcontractor's proposal, in lieu of performing this work himself. The contract administration officer should make arrangements for such assistance only when, in his opinion, it would be in the best interests of the Government to perform this contractor responsibility. Such assistance should generally be provided only when:

(i) There is a business relationship between the prime contractor and subcontractor not conducive to independence and objectivity, as in the case of a parent-subsidiary or when prime and subcontracting roles of the companies are frequently reversed; or

(ii) The contractor is sole source and the subcontract costs represent a substantial part of the prime contractor costs.

(5) There may also be situations when, in analyzing a contractor's pro-

posal or negotiating a prime contract, the contracting officer considers it necessary to validate the prime contractor's review and evaluation of the subcontractor's proposal required under paragraph (c) of this section. The purpose would be to satisfy the Government, not the prime contractor, that these elements of the prime contractor's total proposed price are reasonable. This can be accomplished by the contracting officer requesting as part of field pricing support a review of the proposal of one or more major subcontractors be performed by cognizant Government personnel (see § 18-3.801-5(b)(12)).

(e) When there is adequate price competition, cost or pricing data shall not be requested regardless of the dollar amount involved. As a general rule, cost or pricing data should not be requested when it has been determined that proposed prices are, or are based on, established catalog or market prices of commercial items sold in substantial quantities to the general public. Where, however, despite the willingness of a number of commercial purchasers to buy an item at such a catalog or market price, the purchaser (e.g., the contracting officer) finds that that price is not reasonable and supports such finding by an enumeration of the facts upon which it is based, cost or pricing data may be requested, if necessary, to establish a reasonable price; provided, that such finding is approved by the Procurement Officer. In addition, cost or pricing data may be requested, if necessary, where there is such a disparity between the quantity being procured and the quantity for which there is such a catalog or market price that pricing cannot reasonably be accomplished by comparing the two. Where an item is substantially similar to a commercial item for which there is an established catalog or market price at which substantial quantities are sold to the general public, but the offered price of the former is not considered to be "based on" the price of the latter in accordance with § 18-3.807-1(b)(2)(iii), any requirement for cost or pricing data should be limited to that pertaining to the differences between the items if this limitation is consistent with assuring reasonableness of pricing result.

(f)(1) Certified cost or pricing data shall not be requested prior to the award of any contract anticipated to be for $10,000 or less and generally should not be requested for modifications in those amounts. There should be relatively few instances where the requirement for certified cost or pricing data or use of the clause set forth in § 18-3.807-4 would be justified in awards between $10,000 and $100,000. In most such awards, the administrative costs will outweigh the benefits which might otherwise accrue from receipts of certified cost or pricing data; hence, all other means of determining reasonableness of price should be utilized. When less than complete cost analysis (e.g., analysis of only specific factors) will provide a reasonable pricing result (see § 18-3.807-2(a)) on awards under $100,000 without the submission of complete cost or pricing data, the contracting officer shall request, without certification, only that data which he considers adequate to support the limited extent of the cost analysis required.

(2) Although cost and pricing data was requested in the solicitation, a certification of cost and pricing data shall not be requested in connection with the award of any contract of any dollar value where the price negotiated is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(g) "Cost or pricing data" as used in this Subpart 18-3.8, consists of all facts existing up to the time of agreement on price which prudent buyers and sellers would reasonably expect to have a significant effect on the price negotiations. The definition of cost or pricing data embraces more than historical accounting data; it also includes, where applicable, such factors as vendor quotations, nonrecurring costs, changes in production methods and production or procurement volume, unit cost trends such as those associated with labor efficiency, and make-or-buy decisions or any other management decisions which could reasonably be expected to have a significant bearing on costs under the proposed contract. In short, cost or pricing data consists of all facts which can reasonably be expected to contribute to sound estimates of future costs as well as to the validity of costs already incurred. Cost or pricing data, being factual, is that type of information which can be verified. Because the contractor's certificate pertains to "cost or pricing data", it does not make representations as to the accuracy of the contractor's judgment on the estimated portion of future costs or projections. It does, however, apply to the data upon which the contractor's judgment is based. This distinction between fact and judgment should be clearly understood.

(h) The requirement for submission of cost or pricing data is met when all accurate cost or pricing data reasonably available (see § 18-3.807-5(a)(1)) to the contractor at the time of agreement on price is submitted, either actually or by specific identification, in writing to the contracting officer or his representative. The distinction between the "submission" of cost or pricing data and the "making available" of records should be clearly understood. The mere availability of books, records and other documents for verification purposes does not constitute submission of cost or pricing data.

(i)(1) Except as provided in subparagraphs (3) and (4) of this paragraph (i), each contractor or subcontractor at any tier shall be required to submit Form 633-7 in accordance with § 18-16.202-1 if he claims an exemption from cost or pricing data requirements on the ground that his contract or subcontract price is based on an established catalog or market price (see § 18-3.807-1(b)(2)) or a price set by law or regulation. Such forms shall be submitted by the subcontractor to the next higher tier subcontractor, or the prime contractor, as applicable, for retention. The contracting officer (or prime contractor or the next higher tier subcontractor as applicable) shall perform or obtain verification (including assistance by audit or contract administration personnel) if he deems it necessary to satisfy himself of the reliability of the data in the light of his general knowledge of the product, the market and prior Government purchases. The access of the offeror's books and records granted by the form is limited to actual sales and other data directly pertinent to the factual basis for the exemption claimed and does not extend to cost, profit or other data solely relevant to the reasonableness of the catalog or proposed price. Where exemption is based on an established catalog or market price, the contracting officer shall assure that all applicable criteria are satisfied. See § 18-3.807-1(b)(2). Thus, when the proposed price is "based on" an established catalog or market price of a similar but not identical item, the contracting officer, by independent analysis, shall verify (i) that there is an established catalog or market price for the base item; (ii) that all significant differences between the base item and the contract item are identified; and (iii) that the price differential between the base item and the contract item is justified by price, not cost, analysis. (See § 18-3.807-2(b).)

(2) To minimize repetitive submission, Note 3 of DD Form 633-7 provides for furnishing a copy of a contractor or subcontractor catalog price exemption claim submitted within the previous year.

(3) When repetitive procurement of a catalog price item is anticipated, a Government purchasing office or the cognizant contract administration office, when authority is delegated by the contracting officer for this purpose, may make special arrangements for submission of a catalog price exemption claim. Such submission need not be on a DD Form 633-7, but should include any data required thereby and should include or incorporate by reference all the applicable definitions, representations and rights included in the form. Government approval of the exemption claim shall set forth the effective period which shall not exceed one year and shall require the contractor to furnish any later information that might raise a question as to the exemption. Such approval may be extended to other Government purchasing offices with their concurrence.

(4) If before initiating a procurement, a contracting officer is already satisfied, on the basis of a recent prior submission by a prospective contractor or of the contracting officer's own knowledge of the time, sources, prevailing prices or market conditions, or otherwise, that the prospective contractor has an acceptable established catalog or market price or price set by law or regulation for the item, he may, by a solicitation provision or otherwise, either dispense with the requirement for a DD Form 633-7 or limit the data required to be submitted by the

form. For example, if the item is similar, only an explanation of a price differential may be needed, or if the fact of substantial sales to the general public is well known, only the actual sales prices but not the quantity of sales may be required.

(5) The foregoing subparagraphs and the instructions on DD Form 633–7 are intended to be controlling in practically all cases for the purpose of determining the applicability of an exemption (see paragraph (f) of this section as to when cost or pricing or other data may be required for other pricing purposes notwithstanding an exemption). However, it is recognized that in exceptional cases because of special circumstances the relevant data may justify a catalog or market price exemption even though the prescribed criteria are not strictly satisfied in all respects. In such cases, if the contracting officer is satisfied, on the basis of a DD Form 633–7 or other submission, that an exception should be made or considered, he may authorize an exception on an individual or class basis. Government necessity and the offeror's resistance are not appropriate factors in considering such exception, but only the quantity and prices of actual non-Government sales in relation to the sales and prices offered to the Government.

(6) The form DD 633–7 is designed to obtain information required to permit the contracting officer to determine qualification of the item for exception to the requirements of P.L. 87–653, and to concurrently perform price analysis to determine the reasonableness of the price. Additional information may be required, either from Government or industry sources, to permit adequate price analysis and to develop a negotiation objective. See § 18–3.807–1(b)(2)(iv).

(j) Negotiated final pricing actions such as total final price agreements under fixed price incentive and redeterminable contracts or termination settlement agreements under terminated contracts are contract modifications for which certified cost or pricing data is required in accordance with paragraph (a)(2) of this section. A certificate in accordance with § 18–3.807–4 shall be submitted as soon as practicable after agreement is reached on the amount of the modification. A certificate is required when the amount of the total final price agreement or of the final termination settlement agreement exceeds $100,000.

10. Section 18–3.807–4 is revised to read as follows:

§ 18–3.807–4 Contractor and subcontractor certified cost or pricing data clause.

(a) The clause set forth below shall be inserted in all contracts over $100,000 and in all contract modifications over $100,000 even though the original amount of the contract is $100,000 or less. (Note: The clause thus included is by its terms made inoperative in certain contracts and subcontracts as provided by this clause.) In addition, the contracting officer shall include this clause, with appropriate reduction in the dollar amounts provided therein, in contracts not exceeding $100,000 for which he has obtained a Certificate of Current Cost or Pricing Data in accordance with § 18–3.807–3(a)(3) in connection with the initial pricing of the contract.

CONTRACTOR AND SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (OCTOBER 1969)

(a)(1) The Contractor shall require, under the situations described in (2) below unless exempted under the exceptions set forth in (3) below, each subcontractor under this contract to submit cost or pricing data and to certify that, to the best of his knowledge and belief, such cost or pricing data are accurate, complete, and current.

(2) Except as provided in (3) below, certified cost or pricing data shall be submitted prior to (i) the award of each subcontract, the price of which is expected to exceed $100,000 and (ii) the negotiation of the price of each change or modification to a subcontract under this contract for which the price adjustment is expected to exceed $100,000.

(3) Certified cost or pricing data need not be furnished pursuant to this paragraph (a) where (i) the Contractor has not been required to furnish cost or pricing data; or (ii) the subcontract price or price adjustment is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or the prices are set by law or regulation; and the Contractor states in writing the basis for applying this exception.

(4) In submitting the cost or pricing data, the subcontractor shall certify that the data are accurate, complete, and current, using the form of certificate set forth in paragraph (b) below. Such certificate and data (actual or identified, as provided in the certificate prescribed below) shall be submitted by the subcontractor to the next higher tier subcontractor, or the prime Contractor, as applicable, for retention.

(b) The certificate required by this clause shall be in the form set forth below. When the certificate is to be submitted by a subcontractor, the words "Contracting Officer or his representative" shall be deleted and the name of the concern requiring the certificate shall be inserted.

CERTIFICATE OF CURRENT COST OR PRICING DATA (JUNE 1973)

This is to certify that, to the best of my knowledge and belief, cost or pricing data as defined in NASA PR 3.807–3 submitted, either actually or by specific identification in writing (see NASA PR 3.807–3), to the Contracting Officer or his representative in support of _____[1] are accurate, complete, and current as of _____[2]
day month year

Firm _____

Name _____

Title _____

_____
Date of Execution

(c) For purposes of verifying that certified cost or pricing data submitted in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of $100,000 were accurate, complete, and current, the Contracting Officer, of the Government prime contract or his authorized representatives, shall—until the expiration of three years from the date of final payment under this contract or of the time period specified in Appendix M of the NASA Procurement Regulation, whichever expires earlier—have the right to examine those books, records, documents, papers and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein. The rights herein are in addition to those contained in any other clause of this contract dealing with records, audit and records, and examination of records.

(d) Whenever the price of any contract change or other modification to this contract is expected to exceed $100,000, the Contractor agrees to furnish the Contracting Officer certified cost or pricing data, using the certificate set forth in paragraph (b) above, unless the Contracting Officer determines that the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(e) The requirement for submission of certified cost or pricing data with respect to any contract change or other modification does not apply to any subcontract change or other modification, at any tier, where the Government prime contract is a firm fixed-price or fixed-price with escalation contract unless such change or other modification results from a contract change or other modification to the Government prime contract, nor does it apply to a subcontract chance or other modification, at any tier, where the Government prime contract is not firm fixed-price or fixed-price with escalation, unless the price for such change or modification becomes reimbursable under the Government prime contract.

(f) The Contractor agrees to insert paragraph (c) without change and the substance of paragraphs (a), (b), (d), (e), and (f) of this clause in each subcontract hereunder in excess of $100,000, and in each subcontract of $100,000 or less at the time of making a change or other modification thereto in excess of $100,000.

(g) Whenever the Contractor was required to furnish a certificate of current cost or pricing data, either during negotiation of this contract or pursuant to the provisions of this clause, or whenever a subcontractor hereunder should have been required to furnish such a certificate pursuant to the provisions of this clause or of a clause in the subcontract, and the Contracting Officer determines that the price of this contract, including any profit or fee, or that any price adjustment negotiated for any change or other modification to this contract, has been increased by any significant sums because such cost or pricing data was inaccurate or incomplete or was not current as of the date set forth in the certificate applicable to such data, such price or price adjustment shall be reduced accordingly and the contract shall be modified in writing as may be necessary to reflect such reduction.

[1] Describe the proposal, quotation, request for price adjustment or other submission involved, giving appropriate identifying number (e.g., RFP No. ____).

[2] This date shall be the date when the price negotiations were concluded and the contract price was agreed to. The responsibility of the contractor is not limited by the personal knowledge of the contractor's negotiator if the contractor had information reasonably available (see 3.807–5(a)) at the time of agreement, showing that the negotiated price is not based on accurate, complete and current data.

[3] This date should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.

(h) Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the Disputes clause of this contract.

(Note: Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontracts, it is expected that the contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the contractor. However, the inclusion of such a clause and the terms thereof are matters for negotiation and agreement between the contractor and the subcontractor, *provided* that they are consistent with NASA PR 23.203 relating to Disputes provisions in subcontracts. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his lower-tier subcontractors.)

(b) *Certificate of current cost or pricing data.* When certification of cost or pricing data is required in accordance with § 18–3.807–3, a certificate in the form set forth in paragraph (b) of the above clause shall be included in the contract file along with the memorandum of the negotiation. Usually, the contractor shall be required to submit only one certificate which shall be submitted as soon as practicable after agreement is reached on the contract price.

11. Section 18–3.809 is revised to read as follows:

§ 18–3.809 Contract audit as a pricing aid.

(a) *General.* Contract audit services are available in two forms:

(1) Audit reports which set forth the results of auditors' reviews and analyses of cost data submitted by contractors as part of pricing proposals, reviews of contractors' accounting systems, estimating methods, and other related matters, and

(2) "On-the-spot" personal consultation and advice to procurement and contract administration personnel in connection with analyses of contractors' cost representations and related matters by liaison auditors stationed at most NASA installations.

Contract auditors are professional accountants who, although organizationally independent, are the principal advisors to contracting officers on contractor accounting and contract audit matters. The terms "audit review" and "audit" refer to examinations by contract auditors of contractors' statements of actual or estimated costs to the extent deemed appropriate by the auditors in the light of their experience with contractors and relying upon their appraisals of the effectiveness of contractors' policies, procedures, controls, and practices. Such audit reviews or audits may consist of desk reviews, test checks of a limited number of transactions, or examinations in depth, at the discretion of the auditor.

(b) *Audit reports on contractor price proposals.* (1) The auditor's role in the evaluation of contractor pricing proposals is set out in detail in § 18–3.801 which, in summary, provides that a report from the cognizant audit agency will be obtained for substantially all cost-based proposals over $100,000. The procedures contemplate that the report of engineering appraisal performed by DOD or other cognizant field personnel shall be provided the auditor in order that the audit report may reflect the monetary effect of both the auditor's and the engineer's recommendations. Contracting officers should provide as much time as possible for the auditor to perform his evaluation, whenever possible providing advance notice that a request will be forthcoming. Although price proposals are given the highest priority by the cognizant auditor, advance notice of price proposals will assist the auditor in providing timely audit advice to the contracting officer.

(2) The Defense Contract Audit Agency provides procurement liaison auditors at most NASA installations to facilitate the receipt and use of audit service and to provide accounting and audit advice as to whether or not audit review of a price proposal should be waived.

(3) In submitting his audit report, the auditor shall include comments in regard to the extent to which discrepancies or mistakes of fact in the proposal have been discussed with the contractor. Unless specifically requested to do so by the contracting officer, the auditor shall not discuss his conclusions or recommendations regarding the contractor's estimated or projected costs.

(c) *Additional functions of the contract auditor.* (1) Under cost-reimbursement type contracts, the cost-reimbursement portion of fixed-price contracts, letter contracts which provide for reimbursement of costs, time and material contracts, and labor-hour contracts:

(i) The contract auditor is the authorized representative of the contracting officer for the purpose of examining reimbursement vouchers received directly from contractors, transmitting those vouchers approved for provisional payment (see subdivision (ii) of this subparagraph (1)) to the cognizant fiscal or financial management officer and issuing NASA Form 456, "Notice of Contract Costs Suspended and/or Disapproved," through the cognizant contracting officer to the contractor, with respect to costs claimed but not considered allowable. In the case of costs suspended, if the contractor disagrees with the suspension action, the contractor may appeal in writing through the auditor (who shall add appropriate comments) to the contracting officer, who will make his determination promptly in writing. If the contractor appeals in writing to the contracting officer from a disallowance action within the sixty-day period mentioned above, the contracting officer will make his determination in writing, as promptly as practicable, as a final decision of the contracting officer (see § 18–1.314 regarding decisions under the Disputes clause) and mail or otherwise furnish a copy to the contractor. Normally, the NASA Form 456, "Notice of Contract Costs Suspended and/or Disapproved," is issued by the auditor; however, the contracting officer also may issue or direct the issuance of NASA Form 456 with respect to any cost he has reason to believe should be suspended or disapproved. The contract auditor will examine and approve (except see subdivision (ii) of this subparagraph (1)) separate fee vouchers and fee portions of vouchers for provisional payment in accordance with the contract Schedule and any instructions received from the contracting officer. After examination by the auditor, completion vouchers shall be forwarded to the contracting officer for approval and transmittal to the cognizant fiscal or financial management officer.

(ii) When delegating audit functions (see Subpart 18–51.3), special instructions may be issued to the contract auditor:

(*a*) Requiring submission of separate vouchers for reimbursable costs and for payment of earned fee; and/or

(*b*) Reserving to the contracting officer approval of separate fee vouchers and all vouchers submitted by contractors performing on a NASA installation.

(iii) Unless otherwise notified, the contractor shall submit public vouchers to the auditor in accordance with the following normal requirements:

1—Original SF 1034, SF 1035 or equivalent contractor's attachment

7—Copies SF 1034a, SF 1035a or equivalent contractor's attachment

The contractor shall mark on copies 1, 2, 3, 4 and such other copies as may be directed by the contracting officer, of the foregoing SF 1034a, by insertion in memorandum block, the name and address of the following parties to facilitate distribution of paid copies of vouchers by the fiscal or financial management office:

NASA Contracting Officer (Copy 1)
Defense Contract Audit Agency Auditor (Copy 2)
Contractor (Copy 3)
Contract Administration Office (Copy 4)
Project Management Office (Copy 5, when required by the NASA contracting officer)

The auditor will retain an unpaid copy of the voucher. When a voucher contains one or more individual direct freight charges of $100 or more, an additional copy of SF 1034a and SF 1035a shall be submitted and marked for return to the contractor after payment. This copy shall be transmitted quarterly by the contractor with the freight bills to the General Accounting Office. When a voucher is identified as the "Completion Voucher," an additional copy shall be submitted for transmittal to the NASA contracting officer.

(iv) Following a prompt and careful review of the facts and circumstances leading the auditor to issue the NASA Form 456 and after coordination with other NASA and DOD contracting officers administering contracts with the same contractor where a NASA Form 456, or a DCAA Form 1 in the case of a DOD contract, has been issued for the same items of cost, the contracting officer shall take one of the following actions:

(a) Countersign the NASA Form 456 disapproving the costs;

(b) Countersign the NASA Form 456 suspending the costs;

(c) Issue a new NASA Form 456 suspending the costs rather than disapproving them, pending resolution of the issues;

(d) Have the contractor issue a new voucher removing the costs in question from his claim and return the NASA Form 456 to the auditor unsigned; or

(e) Return the NASA Form 456 unsigned to the auditor with a detailed explanation of why the suspension or disapproval is not being countersigned and process the contractor's claim for payment.

Where the contracting officer is in agreement with the NASA Form 456 issued by the auditor, he shall assign a notice number and shall countersign the form. An original and 3 copies (which includes two acknowledgement copies, one each for return to the contracting officer and the auditor) of the form shall be sent to the contractor by certified mail, return receipt requested; one copy shall be attached to the SF 1034 and each copy of the SF 1034a (see subdivision (iii) of this subparagraph (1)) on which the deduction is made, and one copy shall be sent to the auditor. The total amount suspended and/or disapproved as shown on the NASA Form 456 shall be inserted in the "differences" block of the public voucher, SF 1034 and SF 1034a, as follows:

NASA Form 456 No.---------- $----
Net Amount Approved---------- $----

When the contracting officer does not agree with a NASA Form 456 as issued by the auditor, he shall state his reasons for disagreement and shall furnish the auditor a copy of his statement, with an unsigned and unnumbered copy of the applicable NASA Form 456. Subsequent thereto, he should consult with the auditor and other Government personnel, as may be necessary, and the contractor, if appropriate, to dispose of any remaining items in question.

If the amount of the deduction is more than the amount of the public voucher, the installment method of deduction shall be applied to this and subsequent public vouchers, until the amount is fully liquidated against the contractor's claim. The deductions on any voucher shall not exceed the amount thereof to avoid processing of a voucher in a credit amount. Public voucher(s) with zero amounts must be forwarded to the fiscal or financial management office for appropriate action. If deductions are in excess of contractor claims, recovery may be made through a direct refund from the contractor, in the form of a check payable to the Treasurer of the United States, or by a set-off deduction from the voucher(s) submitted by the contractor under any other contract, except where precluded by a "no set-off" provision. If a set-off is effected, the voucher(s) from which the deduction is made should be annotated to identify the contract and appropriation affected and the applicable NASA Form 456.

(v) When necessary, the contracting officer should consult with the auditor or the financial management officer (see FMM 9630) concerning preparation, examination and payment of vouchers. Functions to be performed by auditors and financial management and fiscal office personnel during the examination of vouchers is set forth in FMM 9630-20b(1).

(vi) The contract auditor shall be responsible for making appropriate recommendations to the contracting officer concerning the establishment of interim overhead billing rates, when such rates are provided for in the contract.

(2) Under cost-reimbursement type contracts with Canadian contractors:

(i) On contracts with the Canadian Commercial Corporation, audits are automatically arranged by the Department of Defense Production (Canada) (DDP) in accordance with agreement between the National Aeronautics and Space Administration and Department of Defense Production (Canada). Audit reports are furnished to the DDP. Upon advice from DDP, the Canadian Commerical Corporation (CCC) will certify the invoice and forward it with Standard Form 1034 (Public Voucher) to the contracting officer for further processing and transmittal to the fiscal or financial management officer.

(ii) On contracts placed directly with Canadian firms, audits are requested by the contracting officer from the Audit Services Branch, Comptroller of the Treasury, Department of Finance, Ottawa, Ontario, Canada. Invoices are approved by the auditor on a provisional basis pending completion of the contract and final audit. These invoices accompanied by Standard Form 1034 (Public Voucher), are forwarded to the contracting officer for further processing and transmittal to the fiscal of financial management officer. Periodic advisory audit reports are furnished directly to the contracting officer. In the event that costs claimed are suspended or disapproved, the contracting officer shall issue the NASA Form 456, "Notice of Contract Costs Suspended and/or Disapproved" to the contractor. NASA Form 456 will be processed in the same manner as indicated in subparagraph (1) (i) of this paragraph (c) with regard to contractor appeals, and shall contain the statement prescribed therein with respect to costs disapproved.

(iii) Audits performed by the Audit Services Branch are normally conducted in accordance with Department of Defense Production regulations.

(3) In accordance with Subpart 18-3.12—Cost Accounting Standards, and Part 18-15—Contract Cost Principles and Procedures, the cognizant contract auditor shall be responsible for making recommendations to the contract administration office as to whether:

(i) A contractor's Disclosure Statement, submitted as a condition of contracting, adequately describes the actual or proposed cost accounting practices as required by P.L. 91-379, 50 U.S.C. App. 2168, as implemented by the Cost Accounting Standards Board;

(ii) A contractor's disclosed cost accounting practices are in compliance with Part 18-15 and applicable Cost Accounting Standards;

(iii) A contractor's or subcontractor's failure to comply with applicable Cost Accounting Standards or to follow consistently his disclosed cost accounting practices has resulted, or may result in, any increased cost paid by the Government, and

(iv) A contractor's or subcontractor's proposed price changes, submitted as a result of changes made to previously disclosed or established cost accounting practices, are fair and reasonable.

(d) Reviews of Contractors' Estimating Systems:

(i) The establishment, maintenance, and consistent use of formal cost estimating systems by contractors is to the mutual benefit of the Government and industry, particularly where a large portion of the contractor's business is Government work and there are a number of significant proposals requiring review. Procuring activities and contract administration activities are required to furnish full support to a program of encouraging major NASA contractors to formalize and follow good estimating procedures. It is recognized that estimating procedures will vary among contractors, and may vary between plants or divisions of a contractor due to differences in products, size and methods of operations, production vs. research, and other factors. While formal systems do not eliminate the need for judgmental factors to be applied by contractors in developing cost proposals, they do provide a sound foundation for the systematic and orderly application of these judgment factors to specific proposals. The consistent preparation of proposals in accordance with an acceptable estimating system is of material benefit in assuring both the contractor and the Government that proposals are realistically and reasonably priced, that the § 18-3.807-3 requirements for utilizing current, accurate, and complete cost and pricing data in developing the proposal are met, and that under-estimating and over-estimating of contract costs are minimized. Some of the advantages of sound estimating procedures are: a greater degree of confidence can normally be placed in the accuracy and reliability of contractors' individual pricing proposals; it expedites the negotiation process; it reduces the amount of detailed explanation of estimating processes on each individual proposal as required by the notes on DD Form 633; and, as in the case of the well established practice regarding acceptable accounting systems, reduces the scope of reviews performed by audit and other technical and procurement personnel.

(ii) A regular program for conducting reviews of selected contractors' estimating systems or methods shall be established and managed by the Defense Con-

tract Audit Agency. Reviews and reports shall be accomplished as a joint contract audit and contract administration office team effort, with the contract auditor designated as its head. Reviews shall be tailored to take full advantage of the day-to-day work done as an integral part of both the contract audit and contract administration activities. The program established by the contract audit activity shall be coordinated with the appropriate contract administration activity to assure that team membership includes qualified technical specialists, and that adequate personnel resources are made available to accomplish the program. A copy of the survey report, together with a copy of the official notice of corrective action required, shall be furnished to each purchasing and contract administration office having substantial business with that contractor. Any significant deficiencies in the system not corrected by the contractor shall be referenced in and will be considered in subsequent proposal reviews and by the cognizant contract administration office and contracting officer in negotiating with, and in determining the reasonableness of prices proposed by, that contractor. Where these deficiencies continue to exist and where they have an adverse affect on prices, the problem should be brought to the attention of procurement officials at a level necessary to bring about corrective action.

(iii) Among the matters to be considered in determining the acceptability of a contractor's estimating system are the following:

(a) Responsibilities within the contractor's organization for originating, reviewing, and approving estimates;

(b) Procedures followed in developing estimates for each of the direct and indirect elements of cost;

(c) The source of data used in developing the estimates and in assuring that such data is current, complete, and accurate;

(d) The documentation developed and maintained by the contractor to support the estimate;

(e) Management support of the program review including approval of the estimate, controls, established to assure consistent compliance with estimating procedures, and personnel training and evaluation programs; and

(f) The extent of coordination and communication between the various elements of the contractor's organization responsible for the estimate.

12. Section 18–3.852–2 is revised to read as follows:

§ 18–3.852–2 Approval of procurement plans.

(a) Procurement plans, whether for competitive or noncompetitive procurement action, shall, as a minimum requirement, be reviewed and approved in accordance with the procedures set forth below, whenever the estimated cost of the procurement, including the aggregate amount of follow-on contracts under the same program (see paragraph (b) of this section), is within the applicable dollar amounts set forth in subparagraph (1), (2) or (3) of this paragraph (a).

(1) For procurements in excess of $100,000, but less than the dollar amount set forth below for the installation concerned, the procurement plan shall be submitted for the approval of the Procurement Officer or his designee after prior review and written concurrence by the head of the cognizant technical division or laboratory, as applicable. (For the purpose of this requirement, the term "or his designee" shall mean the individual authorized by the Procurement Officer to sign the procurement plan. Such authorization shall be in writing and shall not be delegated to more than one individual.)

(i) $250,000
Flight Research Center
Wallops Station

(ii) $500,000
Headquarters Contracts Division
Kennedy Space Center
NASA Pasadena Office

(iii) $1,000,000
Ames Research Center
Goddard Space Flight Center
Johnson Space Center
Langley Research Center
Lewis Research Center
Marshall Space Flight Center

(2) For procurements within the range of the dollar amounts set forth below for the installation concerned, the procurement plan shall be submitted for the approval of the Head of the Installation, his Deputy or Associate Director (the title "Associate Director" means a full Associate Director and not an Associate Director for _____) after prior review and written concurrences by the Director or Assistant Director of the cognizant technical directorate, cognizant Program Manager, or cognizant staff official, as applicable, who reports directly to the Head of the Installation, and by the Procurement Officer.

(i) $250,000 but less than $500,000
Flight Research Center
Wallops Station

(ii) $500,000 but less than $1,000,000
Headquarters Contracts Division
Kennedy Space Center
NASA Pasadena Office

(iii) $1,000,000 but less than $2,500,000
Ames Research Center
Goodard Space Flight Center
Johnson Space Center
Langley Research Center
Lewis Research Center
Marshall Space Flight Center

(3) For procurements that are selected for Headquarters review and approval in accordance with the Master Buy Plan Procedure (see Subpart 18–50.2), the procurement plans shall be submitted for the signature of the Head of the Installation after prior review and written concurrences by the Director or Assistant Director of the cognizant technical directorate, cognizant Program/Project Manager, or cognizant staff official, as applicable, who reports directly to the Head of the Installation, and by the Procurement Officer. The procurement plan shall contain additional signature blocks for approval by the cognizant Program Associate Administrator or Functional Office Assistant Administrator and the Associate Administrator for Organization and Management and for concurrences by the Director of Procurement, and the Assistant Administrator for Administration.

(i) $500,000 and over
Flight Research Center
Wallops Station

(ii) $1,000,000 and over
Headquarters Contracts Division
Kennedy Space Center
NASA Pasadena Office

(iii) $2,500,000 and over
Ames Research Center
Goddard Space Flight Center
Johnson Space Center
Langley Research Center
Lewis Research Center
Marshall Space Flight Center

The original and twenty copies of the procurement plan shall be submitted in the case of those procurements under the cognizance of the Office of Manned Space Flight. In all other instances, the original and ten copies shall be submitted. The position title will be shown for each individual signing the procurement plan as required by subparagraphs (1) through (3) of this paragraph (a).

(b) Examples of what is meant by the phrase "including the aggregate amount of follow-on contracts under the same program" appearing in paragraph (a) of this section are: (1) options as defined in Subpart 18–1.15; (2) agreements-to-agree, wherein the parties agree to negotiate for the extension of the supplies or services being procured; and (3) later phases of the same project subject to the Phased Project Planning concept prescribed by NHB 7121.2.

13. Section 18–3.901–3(d) is revised to read as follows:

§ 18–3.901–3 Procedure.

* * * * *

(d) Before agreeing to a "make-or-buy" program to be incorporated into the contract (or, when the program is included in a contract, consenting to any change therein which, in his opinion, would reduce the anticipated participation of small business and labor surplus area concerns), the contracting officer shall invite the advice and counsel of the activity's small business and labor surplus area specialist, if any, by permitting him to review all pertinent facts and make recommendations thereon. The proposed program shall also be made available to the SBA representative for his review and recommendations. Such review by the small business specialist and the SBA representative should be concurrent with the review by the contracting officer. When urgent circumstances do not permit such a concurrent review, or where the small business specialist or SBA representative fails to re-

spond on a timely basis, the contracting officer shall include an explanatory statement in the contract file and shall transmit a copy to the small business specialist and the SBA representative.

14. Subpart 18–3.11 is revised in its entirety as follows:

Subpart 18–3.11—Acquisition of Automatic Data Processing Equipment

§ 18–3.1100 Scope of subpart.

This subpart sets forth policies and procedures governing the procurement of all general purpose, commercially available, mass-produced Automatic Data Processing Equipment (ADPE) and related software, maintenance services, supplies, ADPE time, and related services.

§ 18–3.1101 Contractor acquisition of automatic data processing equipment (ADPE).

§ 18–3.1101–1 General.

(a) These §§ 18–3.1101 through 18–3.1101–2 are applicable to all ADPE, as defined in § 18–1.235, except as components of end items to be delivered to the Government.

(b) If ADPE is purchased for the account of the Government or if title to the ADPE will pass to the Government, the acquisition must be approved as required by Part 18–13.

§ 18–3.1101–2 Review of decision to lease.

(a) If the total cost of leasing the ADPE is to be reimbursed under one or more cost reimbursement type contracts, the contracting officer shall, prior to approval of the proposed lease agreement:

(1) Prepare a lease versus purchase study in accordance with § 18–3.804–2(c)(2);

(2) Survey the GSA ADPE excess lists for availability of ADPE which could be issued as GFP (see § 18–13.301) and which would fulfill the contractor's requirements (including timely availability and technical compatibility);

(3) Determine whether, under § 18–15.205–48, leasing is the appropriate method of acquisition from the Government's standpoint;

(4) Consider whether the ADPE should be leased under a Federal Supply Schedule Contract (see Subpart 18–5.9);

(5) If the rental of ADPE through a commercial contract is authorized, require the contractor to include a provision in the rental contract stating that the Government will have the initial option to utilize any purchase or other benefits earned through rental payments; and

(6) Obtain approval of the leasing arrangement of the ADPE from the head of the installation concerned in accordance with the procedures of NHB 2410.1, "Management Procedures for Automatic Data Processing Equipment."

(b) If the total cost of leasing ADPE in a single plant, division, or cost center exceeds $500,000 per year and 50 percent or more of the total cost is to be allocated to cost reimbursement type contracts, the contracting officer should arrange for:

(1) An initial review and an annual review thereafter of the contractor's ADPE system for the purpose of evaluating, under § 18–15.205–48, his existing ADPE capability and the need to continue leasing, irrespective of whether the term of the lease was renewed or otherwise extended by the contractor; and

(2) Submission by the contractor to the contracting officer of any proposed lease of a new system and any proposed major changes to an existing system, for advance determination of the validity of the stated requirement and the reasonableness of leasing and resulting cost.

(A major change is any addition or substitution of ADPE which will have an annual cost in excess of $25,000.) After the initial review and after each annual review, and also after review of any proposed lease of a new system or major change, the contracting officer should either enter into an advance understanding with the contractor (if appropriate) pursuant to § 18–15.107, to provide a basis for concurrence in the proposed lease, or in the alternative notify the contractor of the Government's nonconcurrence and of consequent cost disallowance contemplated under § 18–15.205–48.

(c) In implementing the above, technical ADPE assistance will be provided as necessary to the contracting officer by the NASA installation ADP staff.

§ 18–3.1150 Direct acquisition of automatic data processing equipment (ADPE).

The Administrator of the General Services Administration (GSA) has been authorized and directed to coordinate and provide for the economic and efficient purchase, lease, and maintenance of ADPE by Federal agencies (PL 89–306, 40 U.S.C. 749). The intent of Congress was to provide GSA with exclusive authority to procure all general purpose ADPE and related items subject to each agency's right to determine its requirements, including the development of specifications for, and the selection of, the types and configurations of equipment needed.

§ 18–3.1150–1 General.

The provisions of these §§ 18–3.1150 through 18–3.1160 do not apply to:

(a) ADPE, software, or maintenance services which are acquired as an identical part of an overall system or services procurement;

(b) ADPE to be procured for applications imposing special design constraints (e.g., weight, temperature, size, shock, reliability or other ruggedized construction, or specialized packaging for mobile, marine, aircraft, or spacecraft operation), or

(c) ADPE or software developed or extensively modified under a research and development contract.

§ 18–3.1150–2 Definitions.

As used in these §§ 18–3.1150 through 18–3.1160 the following terms shall have the meaning set forth below:

(a) *Automatic data processing equipment.* Automatic Data Processing Equipment (ADPE) means general purpose, commercially available, mass-produced automatic data processing components and the equipment systems created from them, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications and are not specially designed (not configured) for any specific application. It includes:

(1) Digital, analog, or hybrid computer equipment; and/or

(2) Auxiliary or accessorial equipment such as plotters, communications terminals, tape cleaners, tape testers, source data automation recording equipment, optical character recognition equipment, paper tape typewriters, magnetic tape cartridge typewriters, and other data acquisition devices, etc., to be used in support of digital, analog, or hybrid computer equipment, either cable-connected, wire-connected, or self-standing, and whether selected or acquired with a computer, or separately; and/or

(3) Punched Card Accounting Machines (PCAM) used in conjunction with or independently of digital, analog, or hybrid computers.

(b) *Software.* Software means commercially available proprietary computer programs and routines used to extend the capabilities of ADPE. This includes those software packages available in the commercial market on either a lease or purchase basis. Also included are software packages provided by original equipment manufacturers which art separately priced and separately procured from ADPE.

(c) *Maintenance services.* Maintenance services means those examination, testing, repair, or part replacement functions performed to: (1) reduce the probability of ADPE malfunction (commonly referred to as "preventive maintenance"); (2) restore a component of ADPE which is not functioning properly to its proper operating status (commonly referred to as "remedial maintenance"); and (3) modify the ADPE in a minor way (commonly referred to as "field engineering change" or "field modification").

(d) *Supplies.* Supplies means consumable items designed specifically for use with ADPE, such as computer tape, ribbons, punch cards, and tabulating paper.

(e) *ADPE time and related services.* (1) ADPE time means that computer time which is general purpose, commercially available in nature and is procured at a fixed unit rate which includes all costs of operation. (2) Related services means those services associated with automatic data processing operations, communications, data conversion, data analysis, training, software development, software maintenance, and system integration.

(f) *Agency procurement request (APR).* Agency procurement request means a request by NASA for GSA to procure ADPE, software or maintenance

services, of for GSA to delegate the procurement authority to NASA.

(g) *Data systems specifications.* Data systems specifications means: (1) the delineation of the objectives which the system is intended to accomplish, and (2) the data processing requirements underlying that accomplishment. The latter includes a description of the data output and its intended uses, the data input, the data files and record content, the volumes of data, the processing frequencies, timing, and such other elements necessary to describe the system.

(h) *Equipment performance requirements.* Equipment performance requirements means a statement of those hardware factors such as cycle time, computing speed, tape read or write speed, printer speed, size of memory, expandability (modularity) etc., and the related software, which are a measure of the operating capability of equipment and which, when applied to the data systems specifications, provide a measure of the operating time required to process the applications involved in that equipment.

(i) *Selection plan.* Selection plan means those criteria and systematic procedures established in order to enable NASA to measure the proposal of an offeror against the requirements set forth in the solicitation document. These criteria shall be based on NASA requirements and should not be equipment or vendor oriented.

(j) *Systems or items life.* Systems or items life means a forecast or projection of the period of time which begins with the installation of the systems or items and ends when the need for such systems or items has terminated. Systems or items life is established on the basis of requirements and is usually set forth in the solicitation. Systems or items life is not synonymous with actual life of the equipment.

(k) *Mandatory requirements.* Mandatory requirements means those contractual conditions and technical specifications which are established as being essential to meet the Government's needs.

(l) *Desirable features.* Desirable features means those contractual conditions and technical specifications which are established as having some value, but which are not essential to meet the Government's needs. When set forth in a solicitation the desirable features, individually or collectively, may be offered at the discretion of the offeror. Failure to offer the desirable features shall have no effect on responsiveness to the solicitation.

(m) *Lowest overall cost.* Lowest overall cost means the least expenditure of funds over the systems or items life, price, and other factors considered. Lowest overall costs shall include, but shall not be limited to, such elements as personnel, purchase price or rentals, maintenance, site preparation and installation, programming, and training.

(n) *Conversion rental credits.* Conversion rental credits means those credits proposed by a contractor of a reduction in, or termination of, monthly lease charges, for equipment already installed but which is to be replaced. Usually the offer of conversion rental credits by a contractor is contingent upon his being awarded a contract to furnish the replacement equipment and is limited to the period of actual conversion to the replacement equpiment (see § 18–3.1157).

§ 18–3.1151 Procurement authority.

(a) NASA is authorized to procure ADPE, software, and maintenance services in accordance with the provisions of this paragraph and under certain circumstances as provided in §§ 18–3.1152 and 18–3.1153.

(b) Where NASA procures ADPE, software, or maintenance services under the provisions of this § 18–3.1151, or as may be authorized by GSA in accordance with the provisions of § 18–3.1152, two copies of the solicitation document, and any subsequent amendments thereto, shall be forwarded to the General Services Administration (CDR), Washington, D.C. 20405, as soon as available, but in no event to arrive later than 8 workdays before the proposed date of issuance to industry. One copy shall be forwarded concurrently to the Procurement Office. NASA Headquarters (DKO–1). The GSA will notify the NASA installation of the date of receipt of the solicitation document as soon as it is received. Amendments which merely extend opening dates need not be forwarded until the date actually sent to industry. In addition, one copy of the resulting purchase/delivery order or contract shall be forwarded to the GSA when issued.

§ 18–3.1151–1 Automatic data processing equipment.

GSA makes selected ADPE obtainable to agencies through requirements type contracts when such contracts will provide for substantially lower equipment costs. When ADPE is available under GSA requirements type contracts, this source shall be used by NASA as the primary source to satisfy needs. However, when the contract provisions require prior authorization from GSA before orders may be placed, NASA installations shall notify the General Services Administration (CD), Washington, D.C. 20405 of its requirements. (Copies of requirements contracts are distributed to recipients of the schedule FSC Group 74, Part VI. Additional copies are available from GSA regional offices or from the address shown above.) In addition to the use of GSA requirements type contracts, NASA may directly procure ADPE provided:

(a) That procurement can be made by placing a purchase/delivery order against an applicable Federal Supply Schedule contract under the terms of the contract; or

(b) The procurement falls within the limitations prescribed in the Scope of Contract clause of the Federal Supply Schedule as it relates to the Maximum Order Limitations, but negotiations indicate that a separate contract rather than a general amendment to the Federal Supply Schedule contract is the desired contractual vehicle. Such separate contract, however, must contain better terms or conditions than the Federal Supply Schedule contract and other terms and conditions must be at least equal to those in the applicable Federal Supply Schedule contract; or

(c) The value of the procurement does not exceed $50,000, excluding attendant maintenance costs, if purchase is the method of acquisition; or, if the equipment is to be leased, the annual basic rental cost does not exceed $50,000.

§ 18–3.1151–2 Software.

NASA may procure software for use with ADPE without prior approval of GSA when:

(a) The procurement will be made by placing a purchase/delivery order against an applicable Federal Supply Schedule contract under the terms of the contract; or

(b) The total procurement for the specific software package does not exceed $7,500 annual lease cost, excluding maintenance, or $10,000 purchase cost; or

(c) The software is provided by the original equipment manufacturer and is not procured or priced separately from the ADPE.

§ 18–3.1151–3 Maintenance services.

NASA may procure maintenance services without prior approval of GSA when:

(a) Such services are available from a Federal Supply Schedule contract under the terms of the contract; or

(b) The procurement does not exceed $25,000 annually.

§ 18–3.1151–4 ADP time and related services.

(a) NASA may procure ADP time and related services without prior approval of GSA when:

(1) The ADP time or services are only incidental to the overall contract requirement;

(2) Procuring major support services where the contractor will perform ADP services for support of Government owned equipment at a Government site; or

(3) Advanced development of programs or systems analysis on computational tasks is to be performed and such tasks require unique expertise in mathematics and physics as well as in programming.

(b) NASA may also procure ADP time and related services when the requiring activity has referred its requirements to the appropriate General Services Administration sharing exchange and the exchange has indicated in writing that it cannot fulfill the requirements.

§ 18–3.1152 Request for procurement action.

(a) After determining that a requirement may not be directly procured as authorized under § 18–3.1151, or where the conditions of the procurement change at any time during the procurement cycle in such a manner as to require that it be referred to the GSA, four copies of the Agency Procurement Re-

quest (APR) and such other documents as may be applicable shall be forwarded to the Procurement Office, NASA Headquarters (Code DKO–1) for forwarding to the GSA.

(b) Agency Procurement Requests shall contain the name and telephone number of an individual within the installation who will act as the point of contact with the Procurement Office, NASA Headquarters (DKO–1) and shall be accompanied by a Determination and Findings to support the type of procurement anticipated when direct NASA procurement is contemplated. When the GSA determines that the procurement may be accomplished by NASA, the Determination and Findings will be returned to NASA along with the delegation of procurement authority.

(c) If action is not taken by the GSA within 20 workdays after receipt of the agency procurement request, NASA may proceed with the procurement up to the point of award as if a delegation of authority had been granted. However, NASA installations shall take no action to award contracts until authority has been received, or the Procurement Office, NASA Headquarters (DKO–1) authorizes continuation of the procurement action.

§ 18–3.1153 Responsibilities when GSA procures ADPE or related items for NASA.

When the GSA procures ADPE or related items for NASA, the procurement will normally be conducted as a joint effort.

(a) *NASA Functions and responsibilities.* It is the responsibility of NASA to:

(1) Submit the documentation required by § 18–3.1152 to the GSA;

(2) Prepare the technical portion of the solicitation document and define any unique requirements;

(3) Provide necessary technical personnel (and procurement personnel if desired) as members of the contract negotiation team;

(4) Prepare the selection plan and submit it to the GSA contracting officer prior to issuance of the solicitation document;

(5) Evaluate proposals from a technical point of view to include arrangements for offerors' oral presentations, when appropriate;

(6) Provide copies of correspondence to the GSA contracting officer when authorization to communicate with offerors directly has been given as provided in § 18–3.1153(b)(5);

(7) Determine the technical capability of the items offered to meet NASA's requirements. This shall include determining which proposals are technically acceptable and which are not. This information shall be transmitted to the GSA contracting officer—to enable him to take appropriate action with the offerors;

(8) Select the lowest overall cost item(s) or system(s) and transmit this information, together with necessary supporting documentation to the GSA contracting officer. In the event that a conclusive judgment cannot be made on the basis of lowest overall cost, a written determination to this effect will be prepared before any other factor is used as a basis for selection;

(9) Provide the following administrative information to the GSA contracting officer:

(i) Financial management data (i.e., paying office, fund citation, etc.);

(ii) NASA contract distribution list and addresses; and

(iii) Name and address of the NASA contracting officer who will administer the contract;

(10) Assist the GSA contracting officer in debriefing unsuccessful offerors, when debriefings are requested by offerors;

(11) Place the delivery order if required;

(12) Administer the contract in accordance with the terms and conditions thereof; and

(13) Make final contractor selection.

(b) *GSA Functions and responsibilities.* In conjunction with NASA's responsibilities in § 18–3.1153(a), the GSA shall:

(1) Appoint the GSA contracting officer;

(2) Form the negotiation team, which will be headed by the GSA contracting officer

(3) Prepare and issue the solicitation document, and any subsequent amendments after obtaining the concurrence of the initiating NASA installation. (The technical portion of the solicitation shall be supplied in final form by NASA);

(4) Prepare the procurement plan (which will be coordinated with NASA), the Determination and Findings, and contractual material needed to incorporate the selection plan;

(5) Act as the point of contract between offerors and the Government. The GSA contracting officer will provide NASA with a copy of all correspondence between the offerors and the Government. Correspondence going to offerors will be coordinated with NASA. When appropriate, the GSA contracting officer may authorize direct communication between the offerors and NASA. (In such instances, NASA shall provide copies of such correspondence to the GSA contracting officer);

(6) Receive proposals from the offerors;

(7) Provide NASA with copies of all proposals received from offerors;

(8) Review all offers from a business point of view;

(9) Provide personnel to observe technical or functional demonstrations when necessary;

(10) Notify the offeror(s) concerned when a proposal is determined to be unacceptable;

(11) Conduct negotiations with all offerors whose proposals are acceptable and are within or are capable of being brought within the competitive range, price and other factors considered;

(12) Notify the offerors of the date and time that negotiations are to be closed;

(13) Provide NASA with 3 copies of a summary of negotiations and 3 copies of each proposed contract for final selection by NASA;

(14) Brief appropriate NASA personnel on the results of contract negotiations when requested;

(15) Award the contract after receiving notification of the equipment selection from NASA;

(16) Debrief offerors, with the assistance of NASA representatives, when debriefings are requested by offerors; and

(17) Distribute the contract and forward all pertinent documents to the contracting officer appointed by NASA to administer the contract.

§ 18–3.1154 Procurement of supplies.

Requirements exceeding $2,500 for automatic data processing supplies shall be submitted to GSA for purchase action unless otherwise indicated in specific purchase programs established by GSA. Specific purchase programs established by GSA include: Electronic Data Processing (EDP) tape, tabulating machine cards, and marginally punched continuous forms. Instructions for acquisition of these supplies are set forth in the Federal Property Management Regulations (FPMR) 101–26.508, 101–26.509, and 101–26.604, respectively.

§ 18–3.1155 Use of Federal Supply Schedules for automatic data processing equipment (ADPE) and related software and maintenance services.

Nothing in this subpart is intended to preclude or otherwise detract from the procurement of ADPE from a number of different sources, if such action will be in the best interest of the Government. The existence of a Federal Supply Schedule contract does not preclude or waive the requirement for full and complete competition in obtaining ADPE, software, or maintenance services. Suitable ADPE not on a Federal Supply Schedule contract, as well as that which is on such a contract must be considered. Bids or proposals should be solicited from all qualified sources, including those on Federal Supply Schedules, if such action will be in the best interest of the Government.

(a) Purchase orders issued against Federal Supply Schedule contracts should delineate specifically both the hardware and/or the software being procured. Care should be taken to ensure that specific requirements and commitments are included in the purchase orders.

(b) In any case where ADPE, software, or maintenance services are procured under a Federal Supply Schedule contract at other than the lowest available delivered price, justification for the action shall be documented in the contract file in accordance with the provisions of § 18–5.105–4.

(c) Except in those instances where a determination as to lowest overall cost can be reached and documented without further solicitation on negotiation, proposals or bids should be solicited to determine the ADPE, software, or maintenance services which would satisfy requirements at the lowest overall cost to

the Government, price and other factors considered.

§ 18–3.1156 Implementation of the code for information interchange and related media standards.

All computers and related equipment configurations brought into the Government on and after July 1, 1969, must be capable of using the American Standard Code for Information Interchange (ASCII), and ancillary standards. The Department of Commerce has published the Federal Information Processing Standards Publications (FIPS PUBS) as a means for implementing ASCII and related media standards. If instances arise in which NASA cannot comply with the provisions of Section 5 of FIPS PUB 7 (which requires that computers and related equipment configurations brought into the Federal Government inventory have the capability to use ASCII and the formats prescribed by the magnetic tape and paper tape standards when these media are used), the Assistant Administrator for Tracking and Data Acquisition, NASA Headquarters, is authorized to waive its application. (See NMD 2410.5A.)

§ 18–3.1157 Conversion rental credits.

Conversion rental credits applicable to installed ADPE during the period of conversion to new equipment shall not be considered as an evaluation factor in the procurement of ADPE.

§ 18–3.1158 Special contract provisions.

(a) The following clause shall be used in solicitation documents for the procurement of ADPE, software, or maintenance services when increased requirements within the period of the contract are foreseeable, or when continuing performance beyond the original contract period may be in the best interest of the Government.

FIXED PRICE OPTIONS (SEPTEMBER 1972)

(a) This solicitation is being conducted on the basis that the known requirements exceed the basic contract period (and quantity) to be awarded but due to the unavailability of funds, the option(s) cannot be exercised at the time of award of the basic contract (although there is a reasonable certainty that funds will be available thereafter to permit exercise of the options). Since the systems or items to be procured under this solicitation have an expected life of -- months (hereafter referred to as "systems life," or "items life," as appropriate), and since systems (items) life costs are synonymous with lowest overall costs, the contract resulting from this solicitation must contain options for renewals for subsequent fiscal years throughout the projected systems (items) life at fixed prices, and if applicable, at fixed prices for all stated optional quantities of supplies or services not included in the initial requirement. Should the offeror desire, separate charges, if any, which will incur to the Government should the latter fail to exercise the option(s), may be stated separately. Options included in offers submitted in response to this solicitation will be evaluated as follows:

(i) To be considered responsive to this solicitation, vendors must offer fixed prices for the initial contract period for the initial systems or items being procured. Fixed prices, or prices which can be finitely determined, must be quoted for each separate option renewal period and must remain in effect throughout that period. Where optional quantities are offered, prices must be fixed or definitely determinable.

(ii) Offers will be evaluated for purposes of award by adding the total price of all optional periods and, if applicable, all stated optional quantities to the total price for the initial contract period covering the initial systems or items. Separate charges, if any, which will incur to the Government should the latter fail to exercise the options, will not be considered in the evaluation, except as stated in (iii) below.

(iii) An offer which is unbalance as to prices for the basic and optional quantities may be rejected as nonresponsive. This will include an evaluation of the separate charges, if any, which will incur to the Government should the Government fail to exercise the options. An unbalanced offer is one which is based on prices significantly less than cost for some systems and/or items and prices which are significantly overstated for the other systems and/or items.

(b) Evaluation of options will not obligate the Government to exercise the options. Offers which do not include fixed or determinable systems (items) life prices cannot be evaluated for the total requirement and may be rejected as nonresponsive. Offers which meet the mandatory requirements will be evaluated on the basis of lowest overall cost to the Government, including all stated options. Accordingly, the following applicable provisions shall be included in any contract resulting from this solicitation:

OPTION TO EXTEND THE TERM OF THE CONTRACT

This contract is renewable, at the option of the Government, by the Contracting Officer giving written notice of renewal to the Contractor within the period specified in the Schedule, provided that the Contracting Officer shall have given preliminary notice of the Government's intention to renew at least 60 days before this contract is to expire. Such a preliminary notice shall not be deemed to commit the Government to renewal. If the Government exercises this option for renewal, the contract as renewed shall be deemed to include this option provision. However, the total duration of this contract, including the exercise of any options under this clause, shall not exceed ---- months. (Optional: Should the Government fail to exercise this option to extend the term of the contract, separate charges, as set forth elsewhere in this contract, shall incur.)

OPTION FOR INCREASED QUANTITY

The Government may increase the quantity of items called for herein by the amount stated elsewhere in this contract and at the unit prices specified therein. The Contracting Officer may exercise this option at any time within the period specified in the contract by giving written notice to the Contractor. Delivery of items added by exercise of this option shall be in accordance with the delivery schedule set forth elsewhere in this contract. (Optional: Should the Government fail to exercise this option for increased quantity, separate charges, as set forth elsewhere in this contract, shall incur.)

(b) The following "Late Proposals" clause shall be inserted in all solicitation documents for negotiated procurements for ADPE, software, maintenance services, or supplies.

LATE PROPOSALS (SEPTEMBER 1972)

Proposals or modifications thereof which are received in the office designated in the request for proposals after the time specified for their submission are late proposals. Late proposals shall not be considered unless the Contracting Officer determines that such action would not unduly delay the procurement and would be in the best interest of the Government. Normally, only late offers that are lower in price or that offer more favorable factors which do not require a technical re-evaluation will be considered. The Contracting Officer's decision is final and conclusive. Except as otherwise expressly stated in the modification, a late modification, if rejected, shall not be deemed a withdrawal of the offeror's timely proposal.

§ 18–3.1159 Evaluation factors.

To enable an offeror to properly prepare a proposal or quotation, the solicitation shall identify all evaluation factors which are to be considered. The inclusion of desirable features in solicitations is discouraged. However, when desirable features are included, relative weights shall be assigned to such desirable features.

§ 18–3.1160 Purchase of leased ADPE.

(a) Purchase of leased ADPE shall be made only after it is determined that:

(1) Funds are available;

(2) Such purchase fulfills an existing need of the Government; and

(3) Such purchase represents the lowest overall cost to the Government.

(b) The determination under paragraph (a)(3) of this section may be made based upon information obtained through:

(1) A new solicitation; or

(2) An informal investigation of prices, or other examination of the competitive market including plug-to-plug compatible equipments when available; and

(3) An investigation and study of the cost impact of "other factors" cited in paragraph (a)(3) of this section.

(c) When it has been determined that purchase of leased ADPE should be effected in accordance with the principles set forth in this § 18–3.1160, such determination shall be set forth in writing and made a part of the contract file.

15. A new Subpart 18–3.12 is added.

Subpart 18–3.12—Cost Accounting Standards

AUTHORITY.—The provisions of this Subpart 18–3.12 issued under 42 U.S.C. 2473 (b)(1).

§ 18–3.1200 Cost accounting standards.

§ 18–3.1201 General.

Public Law 91–379, 50 U.S.C. App. 2168, as implemented by the Cost Accounting Standards Board (see Appendix O) requires the development of Cost Accounting Standards to be used in connection with negotiated national defense contracts and disclosure of cost accounting practices to be used in such contracts.

§ 18–3.1202 Definitions.

When used in this subpart, the words and terms defined in Appendix O shall have the meanings set forth therein. In addition, the words and terms defined in this § 18–3.1202 shall have the meanings set forth below:

(a) "Net awards" mean the obligated value of negotiated national defense

prime contracts, awarded in the reporting period, minus cancellations, terminations, and other credit transactions relating thereto.

(b) "Company" includes all divisions, subsidiaries, and affiliates of the contractor under common control.

§ 18–3.1203 Prime contractor disclosure statement(s).

(a) *Solicitation notice.* The notice entitled Disclosure Statement—Cost Accounting Practices and Certification in § 18–3.501(b)(50), shall be inserted in all solicitations which are likely to result in a negotiated contract exceeding $100,000, except when the price is based on established catalog or market prices of commercial items sold in substantial quantities to the general public, or set by law or regulation. The notice shall not be inserted if the method of procurement utilized is:

(1) "Small Business Restricted Advertising" (§ 18–1.706–5(b)).

(2) Partial small business set-aside (§ 18–1.706–6).

(b) *Pre-award submission of disclosure statement(s).* Each offeror submitting an offer which could result in a negotiated contract exceeding $100,000 shall furnish copies of his Disclosure Statement(s) to the offices listed in paragraph (c) of this section concurrently with the submission of his proposal to the contracting officer except when the offeror has executed the Certificate of Monetary Exemption or the Certificate of Previously Submitted Disclosure Statement (see § 18–3.501(b)(50)). More than one Disclosure Statement may be required in connection with the award of a contract (see paragraph 351.4(a) of Appendix O). Award of a contract shall not be made until a determination has been made by the cognizant contract administration office that a Disclosure Statement is adequate (see § 18–3.1205(a)) unless, in order to protect the interests of the Government, the contracting officer waives this requirement. In this event, a determination shall be made as soon after award as possible.

(c) *Distribution of disclosure statement(s).* The offeror shall distribute his Disclosure Statement(s) as follows:

(1) Original and one copy to the cognizant contract administration office (see DOD Directory of Contract Administration Components (DOD 4105.59H)) unless otherwise specified in accordance with § 18–3.1208;

(2) One copy to the cognizant contract auditor;

(3) One copy to the Cost Accounting Standards Board, 441 G Street, N.W., Washington, D.C. 20548.

(d) *Post-award submission of disclosure statement(s).* Post-award submission of Disclosure Statement(s) may be authorized only when the contracting officer has made a written determination that such authorization is essential (1) to the national defense, (2) because of the public exigency, or (3) to avoid undue hardship. Each determination shall set forth facts which clearly support the determination to authorize post-award submission, and a copy of the determination shall be included in the contract file. Authorization issued pursuant to this paragraph shall specify the period of time, not to exceed 90 days after contract award, within which disclosure must be made.

(e) *Determination by the Administrator that it is impractical to secure disclosure statement(s).* If the Administrator determines that it is impractical to secure the Disclosure Statement(s) in accordance with the clause in § 18–7.104–55 and this Subpart, he may authorize award of such contract without obtaining such Statement(s). This authority shall not be delegated. He shall, within 30 days thereafter, submit a report to the Cost Accounting Standards Board, setting forth all material facts.

(f) *Privileged and confidential information in disclosure statement(s).* If the offeror or contractor notifies the contracting officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement will be protected and will not be released outside the Government (see paragraph (a)(1) of the Cost Accounting Standards clause in § 18–7.104–55).

(g) *Amendment of disclosure statements.* Amendments of a Disclosure Statement after contract award shall be processed in accordance with paragraph 351.12 of Appendix O and 3.1207.

§ 18–3.1204 Contract clause.

The Cost Accounting Standards clause set forth in § 18–7.104–55 shall be inserted in all negotiated contracts exceeding $100,000, except when the price is based on established catalog or market prices of commercial items sold in substantial quantities to the general public or is set by law or regulation. In addition to the foregoing exceptions, the clause shall not be included in contracts awarded pursuant to:

(a) Small Business Restricted Advertising (see § 18–1.706–5(b));

(b) Partial small business set-aside (see § 18–1.706–6), or

(c) The authority of section 8(a) of the Small Business Act (15 U.S.C. 637 (a)) (see § 18–1.705–5).

§ 18–3.1205 Review of Prime Contractor Disclosure Statements.

(a) *Determination of adequacy.* The cognizant contract auditor shall perform an initial review of a Disclosure Statement to ascertain whether it adequately describes the offeror's cost accounting practices. In order to be deemed adequate, the Disclosure Statement must be current, accurate, and complete. Upon completion of this initial review, the results shall be reported to the cognizant contract administration office. When the office administering the contract determines that adequate disclosure has not been made, it shall identify the areas of inadequacy and request a revised Statement and so advise the auditor and contracting officer. When the office administering the contract determines that the Disclosure Statement is adequate, it shall notify the offeror in writing with a copy to the auditor and the contracting officer. In addition, the notice shall state that a disclosed practice shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed to practice for pricing proposals or accumulating and reporting contract performance cost data. The contract may be awarded when it is determined that an adequate disclosure has been made. (See § 18–3.1203(b).)

(b) *Determination of compliance.* Subsequent to the issuance of the above notification, a more detailed review of the Disclosure Statement shall be made by the auditor to ascertain whether the disclosed practices are in compliance with Part 18–15 and Cost Accounting Standards. The auditor shall advise the contracting officer administering the contract of his findings. When it is determined by the contracting officer administering the contract that any disclosed practice is not in compliance, he shall so notify the offeror or contractor, with a copy to the auditor. This notice shall require the offeror or contractor to advise the cognizant contract administration office and the auditor of the corrective action taken or to be taken to bring the practices into compliance. A revised Disclosure Statement may be required. In addition, adjustment of the prime contract price or cost allowance in accordance with § 18–3.1207(b) may be required. Non-compliances which cannot be resolved at the local level shall be referred to higher authority within the department or agency having contract administration cognizance. The cognizant contract administration office shall advise the contracting officer of disclosed practices which are not in compliance which would have any affect on the price of the contracts under negotiation.

§ 18–3.1206 Subcontractor disclosure statements.

(a) Disclosure Statements furnished by a subcontractor pursuant to the "Cost Accounting Standards" clause, should, except as provided in paragraph (b) or (c) of this section, be submitted to the prime contractor or higher tier subcontractor.

(b) A subcontractor may satisfy the requirement to submit Disclosure Statement(s) by identifying to the prime contractor or higher tier subcontractor the cognizant contract administration office to whom his Disclosure Statement was previously submitted.

(c) When a subcontractor considers that his Disclosure Statement contains information that is privileged and confidential, he may, with the approval of the prime contractor, submit it direct to the cognizant contract administration office and auditor having cognizance of the prime contractor's facility. The contracting officer administering the prime contract shall furnish copies to the cognizant contract administration office and auditor cognizant of the subcontractor for use in administration of the Cost Accounting Standards clause.

(d) Post-award submission of the subcontractor's Disclosure Statement (see § 18-3.1203(d)) must be approved by the contract administration office having cognizance of the prime contractor.

(e) A determination that it is impractical to secure a subcontractor's Disclosure Statement must be made in accordance with § 18-3.1203(e).

§ 18-3.1207 Contract price adjustments.

(a) *Modifications to disclosure statements or established practices.* Paragraph (a)(4) of the Cost Accounting Standards clause (§ 18-7.104-55) provides for adjustment of contract price under certain circumstances. The cognizant administration office is responsible for obtaining the contractor's proposal and for the conduct of all negotiations of such adjustments to all Government prime contracts. When a prime contractor is also a subcontractor, the contracting officer administering the contract shall advise the contract administration office having cognizance of the applicable prime contract of the results of his negotiations.

(b) *Failure to comply with "Cost Accounting Standards" clause.* Paragraph (a)(5) of the Cost Accounting Standards clause (§ 18-7.104-55) provides for an adjustment of the prime contract price or cost allowance, as appropriate, if the contractor or a subcontractor fails to comply with an applicable cost accounting standard or fails to follow any disclosed accounting practice and such failure results in any increased cost paid by the Government. The cognizant contract auditor shall be responsible for the conduct of audits as necessary to disclose such failures. The cognizant contract administration office shall negotiate all resultant prime contract adjustments, including applicable interest.

(c) *Conduct of negotiations and execution of supplemental agreements.* Negotiations pursuant to paragraphs (a) and (b) of this section shall be conducted on behalf of all Government agencies including, but not limited to, DOD, NASA, AEC and GSA. The cognizant contract administration office will invite contracting officers, including those from other Government agencies, to participate in the negotiation of adjustments when the price of their contracts will be increased or decreased by $10,000 or more. At the conclusion of negotiations, the contract administration office will prepare a negotiation memorandum in accordance with § 18-3.811. This negotiation memorandum is of particular importance in that it will be used in reviewing the effectiveness of Cost Accounting Standards' Rules and Regulations. Copies of the memorandum shall be furnishd to cognizant auditors and contracting officers of other agencies which have contracts affected by the negotiation. Upon receipt of a negotiation memorandum from a cognizant contract administration office, NASA contracting offices shall execute necessary supplemental agreements in the amounts negotiated.

§ 18-3.1208 Delegation of authority to negotiate adjustments.

Delegations of contract administration responsibility to other agencies will authorize the contract administration office to negotiate adjustments described in § 18-3.1207. (See § 18-51.304(d)(31) through (34). For those contracts where contract administration delegations have not been made but which include the Cost Accounting Standards clause, the contracting officer will notify the cognizant contract administration office that it is authorized to conduct negotiations of the type described in § 18-3.1207.

§ 18-3.1209 Additional documentation.

The cognizant contract administration office shall prepare a memorandum indicating action taken on advisory audit reports which do not result in contract price adjustments.

§ 18-3.1210 Cost Accounting Standards Board report.

(a) An annual report is required to be furnished to the Cost Accounting Standards Board by NASA and other Government agencies within 120 days after the close of each calendar year to provide the Cost Accounting Standards Board with information to assess the effectiveness of Cost Accounting Standards Board publications and to reveal problem areas requiring new or revised Standards, Rules and Regulations. The report submitted by other Federal agencies, such as DOD, will include information covering all affected NASA contracts for which that agency has cognizance. Duplicative information on these NASA contracts will not be included in the NASA report. Except for the general opinions and judgments requested in paragraph (c)(5) of this section, the NASA report will include information only for those affected contracts, including other Federal agencies' contracts, for which NASA has cognizance. The first report will cover the six month period ending December 31, 1972. Subsequent reports will cover the full calendar year. NASA Report Control Number 136 is assigned to this reporting requirement.

(b) Each affected NASA Procurement Office and Management Audit Office shall collect and consolidate the information required in paragraph (c) of this section. The reports of each office shall be forwarded to NASA Headquarters within 60 days following the end of each calendar year. Procurement Office reports shall be marked for the attention of Code DKP-2. Management Audit Office reports shall contain only information as noted in paragraph (c)(5) of this section and shall be marked for the attention of Code DU.

(c) *Information to be included in the report to the Cost Accounting Standards Board.*

(1) *Disclosure statement reviews for adequacy.*

	Initial submissions	Submissions due to changed practices
Number of statements received		
Number of statements returned to contractors due to inadequacy		
Number of inadequate entries for each statement item;		
Item Number		
Item Number		
(Continue as required.)		

This portion of the report is intended to show the number of Disclosure Statements from prime contractors that have been reviewed by the cognizant contract administration office and the number that were found to be inadequate and returned to the contractor. Resubmissions will not be counted. Informal discussions with contractors concerning their Disclosure Statements and voluntary corrections furnished by contractors shall not be reported.

(2) *Violations of disclosed practices and standards.*

Violations Determined for Failure to Follow:

Disclosed Practices	*Number*
Item No. ------	--------
Item No. ------	--------
(Continue as required.)	
Cost Accounting Standards	
4 CFR 401	
4 CFR 402	
(Other Standards when issued.)	

Prime and subcontractor violations will include only those cases when they have formally been notified by the cognizant contract administration office. Each formal notification of noncompliance will be counted only once for each practice or Standard violated, irrespective of number of contracts the violations affect.

(3) *Substance of findings of noncompliance with Cost Accounting Standard Board standards.*

This part of the report will consist of a summary of the violations of the Cost Accounting Standard Board Standards cited in the findings of the cognizant contract administration office. Findings which cite substantially the same manner of violation will be reported only once. Each entry should state the substance of the violation being reported and should be grouped with other violations relating to the same Standard, e.g.:

4 CFR 401

(State substance of first violation)

(Continue for each additional violation)

Only those violations cited by cognizant contract administration offices in findings which have been furnished to contractors in writing shall be included in the report.

(4) *Equitable adjustments.*
This part of the report is to show for each Federal agency the number and value of equitable adjustments completed by the cognizant contract administration offices during the reporting period covering new Standards which resulted in cost increases and the number and value of equitable adjustments which resulted in cost decreases. A separate report will be prepared for each Standard. In addition, when the equitable adjustments involve more than one Standard an additional consolidated report will be prepared citing the Standards involved. The final result of each negotiated agreement will be shown as a net increase or net decrease for each agency affected.

STANDARD (CITE STANDARD OR STANDARDS INVOLVED)

Federal agency	Cost increase		Cost decrease	
	Number of negotiated agreements	Total dollars	Number of negotiated agreements	Total dollars
DOD				
NASA				
AEC				
GSA				
(Etc.)				

The following two examples indicate how the reports received on individual negotiations will be consolidated by the reporting offices:

Example 1. One negotiated agreement with a contractor is reported to recognize Standard 4 CFR 403. Numerous contracts of DOD and NASA are involved. Some NASA contracts are increased, others are decreased for a net increase to NASA of $100,000. In the case of DOD there is a net increase of $85,000. A second negotiated agreement with another contractor is reported involving 4 CFR 403 in which there is a net increase to NASA of $90,000 and a net decrease to DOD of $90,000. In a third negotiated agreement reported there is a decrease to NASA of $10,000 and an increase to DOD of $10,000. No other negotiated agreements involving only 4 CFR 403 are reported.

Using the above format, Standard 4 CFR 403 would be cited. For DOD, under the Heading "Cost Increase," the figure "2" would be inserted together with the dollar figure of "$95,000" ($85,000 plus $10,000). Under "Cost Decrease" the figure "1" would be inserted as well as the dollar figure of "$90,000." For NASA the figure "1" would be shown under "Cost Increase" together with "$90,000." Under "Cost Decrease" the figure "2" would be shown along with "$110,000."

Example 2. One negotiated agreement with a contractor is reported involving Standards 4 CFR 403 and 4 CFR 404. There is a net increase to DOD of $25,000, a decrease to NASA of $15,000, and a decrease to AEC of $5,000. A second negotiated agreement with another contractor is reported involving 4 CFR 404 and 4 CFR 405. There is a net decrease to DOD of $20,000 and a decrease to NASA of $10,000. A third negotiated agreement is reported involving 4 CFR 403 and 4 CFR 405. There is a net decrease to DOD of $10,000, an increase to AEC of $15,000, and no increase or decrease to NASA.

Using the above format, Standards 4 CFR 403, 404, and 405 would be cited. For DOD the figures under "Cost Increase" would be "1" and "$25,000" respectively. The figures under "Cost Decrease" would be "2" and "$30,000." For NASA the figure "0" would be inserted for both the numbers and dollars under "Cost Increase." The "Cost Decrease" figures would be "2" and "$25,000." For AEC under "Cost Increase" the figures would be "1" and "$15,000." The figures under "Cost Decrease" would be "1" and "$5,000."

(5) *Comments on Cost Accounting Standards Board promulgations.*
(i) Comment on the effect of the Disclosure Statement requirement and Standards issued with respect to:
(*a*) Contractors' proposals
(*b*) Cost estimation
(*c*) Contract negotiation
(*d*) Contract administration
(*e*) Audits of contract proposals
(*f*) Audits of incurred costs

Comments shall deal with the effect of Cost Accounting Standards Board publications both individually and in total. For example, there may be improvements noted in contractors' proposals or there may be information now required that is not useful or necessary. Comments of any other type may be furnished. Comments on subdivisions (*a*) through (*d*) of this subparagraph (5) (i) will be provided by NASA procurement offices and will reflect both buying and contract administration considerations. NASA management audit offices will provide comments on subdivisions (*e*) and (*f*) of this subparagraph (5) (i).

(ii) Suggestions and recommendations for revising Cost Accounting Standards Board standards, rules, or regulations to:
(*a*) Improve their effectiveness
(*b*) Facilitate the conduct of negotiations
(*c*) Facilitate the effectiveness of the procurement function
(*d*) Facilitate the effectiveness of the audit function
Both procurement offices and management audit offices shall provide comments for subdivisions (*a*) through (*d*) of this subparagraph (5) (i). Comments by procurement offices shall reflect both buying and contract administration considerations. All information required to be furnished under subparagraph (5) of this paragraph (c), involves personal opinion and judgment. However, to the extent possible each comment or recommendation should be substantiated through use of examples and actual data to support the logic of the suggestions and recommendations.

(6) *Docket numbers of dispute cases involving Cost Accounting Standards Board promulgations.*

NASA Board of Contract Appeals Docket Numbers of All Open Cases	*New Cases*	*Old Cases*	*Taken to Court of Claims*

In the first column list the docket number of all appeals cases that are before the NASA Board of Contract Appeals. For those cases that were assigned docket numbers in the period covered by the report, place an "X" in the column under New Cases. Other cases carried over from previous periods will be marked with an "X" under Old Cases. When a contractor has taken an appeal to the Court of Claims an "X" will be placed in that column.

PART 18–5—INTERDEPARTMENTAL PROCUREMENT

1. Section 18–5.106 is revised to read as follows. Delete all other text.

§ 18–5.106 Use of federal supply schedules for automatic data processing equipment (ADPE) and related software and maintenance services.

See § 18–3.1155.

2. Section 18–5.904–4 is added.

§ 18–5.904–4 Purchase of marginally punched continuous forms from the United States Government Printing Office (GPO).

NASA contractors may be authorized to purchase marginally punched continuous forms from the GPO in accordance with FPMR 101–26.604.

PART 18–6—FOREIGN PURCHASES

1. Section 18–6.602 is revised to read as follows:

§ 18–6.602 Duty free entry of scientific instruments or apparatus.

(a) Under the Educational, Scientific, and Cultural Materials Importation Act of 1966, NASA has been determined to be an eligible institution to request duty free entry for instruments or apparatus under Items 851.60 and 851.65, Tariff Schedules of the United States (19 USC 1202 (1970)). Pursuant to this authority, NASA may apply for duty free entry of instruments or apparatus, or related repair components, if no instrument or apparatus of equivalent scientfic value for the purpose for which the instrument or apparatus is intended to be used is bing manufactured in the United States.

(b) Regulations governing procedures for application for duty free entry are set forth in 15 CFR 701 and 19 CFR 10.115. To take advantage of this authority, contracting officer shall, with the advice of legal counsel, prepare an application in seven copies on Office of Import Programs Form OIPF–768 in accordance with the cited regulations.

(c) Applications prepared as prescribed above shall be submitted to the Bureau of Customs, Washington, D.C. 20226, Attention: Tariff Classification Rulings. The Office of General Counsel shall represent NASA before the Customs Bureau and the Court of Customs and Patent Appeals.

PART 18–7—CONTRACT CLAUSES

1. Section 18–7.103–16 is revised to read as follows:

§ 18–7.103–16 Contract Work Hours and Safety Standards Act—Overtime compensation.

Insert the clause set forth in § 12.303–1. Note the prefatory language required by § 12.303–2 for use in contracts with a State or political subdivision thereof.

2. Section 18–7.103–53 is revised to read as follows:

§ 18–7.103–53 Interest.

INTEREST (AUGUST 1972)

Notwithstanding any other provision of this contract, unless paid within 30 days all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest at the rate established by the Secretary of the Treasury pursuant to Public Law 92–41; 85 Stat. 97 for the Renegotiation Board, from the date due until paid. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this contract, (ii) the date of the first demand for payment, (iii) the date of a supplemental agreement fixing the amount, or (iv) if this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by contract supplement.

3. Section 18–7.104–1(a) is revised to read as follows:

§ 18–7.104–1 Clauses for contracts involving construction work.

(a) In accordance with the requirements of Subpart 18–12.4, insert in fixed-price supply contracts which involve construction work the clauses listed below, which are set forth in § 18–12.403–1:

Davis-Bacon Act.
Contract Work Hours and Safety Standards Act—Overtime Compensation.
Apprentices.
Payrolls and Payroll Records.
Compliance With Copeland Regulations.
Withholding of Funds.
Subcontracts.
Contract Termination—Debarment.

* * * * *

4. Section 18–7.104–42 is revised to read as follows:

§ 18–7.104–42 Audit by National Aeronautics and Space Administration.

(a) Insert the following clause in any negotiated contract which is not firm fixed-price or fixed-price with escalation.

AUDIT BY NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (JANUARY 1973)

(a) General. The Contracting Officer or his representatives shall have the audit and inspection rights described in paragraph (b) below.

(b) Examination of Costs. The Contractor shall maintain, and the Contracting Officer or his representatives shall have the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. Such right of examination shall include inspection at all reasonable times of the Contractor's plants, or such parts thereof, as may be engaged in the performance of this contract.

(c) Availability. The materials described in (b) above shall be made available at the office of the Contractor, at all reasonable times, for inspection, audit, or reproduction, until the expiration of three years from the date of final payment under this contract or such lesser time specified in Appendix M of the NASA Procurement Regulation, and for such longer period, if any, as is required by applicable statute, or by other clauses of this contract, or by (1) and (2) below:

(1) If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for a period of three years from the date of any resulting final settlement.

(2) Records which relate to appeals under the "Disputes" clause of this contract, or litigation or the settlement of claims arising out of the performance of this contract, shall be made available until such appeals, litigation, or claims have been disposed of.

(d) The Contractor shall insert a clause containing all the provisions of this clause, including this paragraph (d) in each subcontract hereunder, that is not firm fixed-price or fixed-price with escalation, except altered as necessary for proper identification of the contracting parties and the Contracting Officer under the Government prime contract.

(b) In the case of consolidated facilities contracts, facilities acquisition contracts and facilities use contracts, paragraph (b) of the clause should be amended to read:

(b) Examination of Costs. The Contractor shall maintain, and the Contracting Officer and his representatives shall have the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly (1) all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract and (2) the use of, and charges for the use of, the facilities. Such right of examination shall include inspection at all reasonable times of the Contractor's plants, or such parts thereof, as may be engaged in the performance of this contract.

5. Section 18–7.104–54 is revised to read as follows:

§ 18–7.104–54 Financial reporting of Government-owned / contractor-held property other than space hardware.

The clause set forth below shall be inserted in all contracts which contain the Government Property clause § 18–13.702; § 18–13.703; § 18–13.706; § 18–13.707 or § 18–7.702–17, when NASA is to furnish to the contractor, or the contractor is to acquire, Government Property.

FINANCIAL REPORTING OF GOVERNMENT-OWNED/CONTRACTOR-HELD PROPERTY OTHER THAN SPACE HARDWARE (NOVEMBER 1971)

(a) The Contractor shall prepare and submit semi-annually the report, "Analysis of Government-Owned/Contractor-Held Property Other Than Space Hardware" (NASA Form 1018), in accordance with the instructions on the reverse of the form and NASA Handbook, "Financial Reporting for Government-Owned/Contractor-Held Property and Space Hardware" (NHB 9500.2).

(b) If administration of this contract has been delegated to the Department of Defense, the original and four copies shall be submitted to the cognizant DOD Property Administrator. If this contract is being administered by NASA, the original and four copies shall be submitted to:

(When NASA is to administer the contract, insert the address and

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office code of the NASA organization within the installation

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responsible for NASA Form 1018 control)

Regardless of responsibility for administration of this contract, one copy marked "Advanced Copy", shall be submitted directly to:

(Insert the address and office code of the Financial Management or Fiscal Office of the NASA installation placing this contract)

(c) The Contractor's report shall be submitted so as to be received not later than the 26th day of the month following the end of each report period, as set forth on the reverse of NASA Form 1018; however, whenever possible, the Government desires that the report be submitted within 10 workdays following the end of each report period.

(d) The Contractor agrees to insert the reporting requirements of this clause in all first-tier subcontracts, except that such requirements shall provide for the submission of subcontractor reports directly to the Contractor. The Contractor shall require the subcontractor reports to be submitted to him in sufficient time to meet the reporting dates in (c) above.

(e) The Contractor's semi-annual report shall consist of a consolidation of the subcontractor reports and his report.

6. Section 18–7.104–55 is added.

§ 18–7.104–55 Cost Accounting Standards.

In accordance with § 18–3.1204, insert the following clause:

COST ACCOUNTING STANDARDS (MAY 1972)

(a) Unless the Cost Accounting Standards Board has prescribed rules or regulations, exempting the Contractor or this contract from standards, rules, and regulations promulgated pursuant to 50 U.S.C. App. 2168 (Public Law 91–379, August 15, 1970), the Contractor, in connection with this contract shall:

(1) By submission of a Disclosure Statement, disclose in writing his cost accounting practices as required by regulations of the Cost Accounting Standards Board. The required disclosures must be made prior to contract award unless the Contracting Officer provides a written notice to the Contractor authorizing post-award submission in accordance with regulations by the Cost Accounting Standards Board. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain this Cost Accounting Standards clause. If the Contractor has marked the Disclosure Statement to indicate that it contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement will be protected and will not be released outside of the Government.

(2) Follow consistently the cost accounting practices disclosed pursuant to (1) above in accumulating and reporting contract performance cost data concerning this contract. If any change in disclosed practices is made for purposes of any contract or subcontract subject to Cost Accounting Standards Board requirements, the change must be applied prospectively to this contract, and the Disclosure Statement must be amended accord-

ingly. If the contract price or cost allowance of this contract is affected by such changes, adjustments shall be made in accordance with subapragraph (a)(4) or (a)(5) below, as appropriate.

(3) Comply with all Cost Accounting Standards in effect on the date of awards of this contract or if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any Cost Accounting Standard which hereafter becomes applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)(A) Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a Disclosure Statement change which the Contractor is required to make pursuant to (3) above. If the Contractor has not been required to file a Disclosure Statement but is required pursuant to (a)(3) above to change an established practice, then an equitable adjustment shall similarly be agreed to.

(B) Negotiate with the Contracting Officer to determine the terms and conditions under which any Disclosure Statement change other than changes under (4)(A) above may be made. A change to a Disclosure Statement may be proposed by either the Government or the Contractor, provided, however, that no agreement may be made under this provision, that will increase costs paid by the United States under this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if he or a subcontractor fails to comply with an applicable Cost Accounting Standard or to follow any practice disclosed pursuant to subparagraphs (a)(1) and (a)(2) above and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97, or 7 percent per annum, whichever is less, from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable Cost Accounting Standard, rule or regulation of the Cost Accounting Standards Board and as to any cost adjustment demanded by the United States, such failure to agree shall be a dispute concerning a question of fact within the meaning of the Disputes clause of this contract.

(c) The Contractor shall permit any authorized representatives of the head of the agency, of the Cost Accounting Standards Board, or of the Comptroller General of the United States to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which he enters into the substance of this clause except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that this requirement shall appy only to negotiated subcontracts in excess of $100,000 where the price negotiated is not based on:

(i) established catalog or market prices of commercial items sold in substantial quantities to the general public, or

(ii) prices set by law or regulation.

NOTE: (1) Subcontractors shall be required to submit their Disclosure Statements to the Contractor. However, if a subcontractor has previously submitted his Disclosure Statement to a Government Contracting Officer he may satisfy that requirement by certifying to the Contractor the date of such Statement and the address of the Contracting Officer administering the contract.

(2) In any case where a subcontractor determines that the Disclosure Statement information is privileged and confidential and declines to provide it to his contractor or higher tier subcontractor, the Contractor may authorize direct submission of that subcontractor's Disclosure Statement to the same Government offices to which the Contractor was required to make submission of his Disclosure Statement. Such authorization shall in no way relieve the Contractor of liability as provided in paragraph (a)(5) of this clause. In view of the foregoing and since the contract may be subject to adjustment under this clause by reason of any failure to comply with rules, regulations, and Standards of the Cost Accounting Standards Board in connecton with covered subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. However, the inclusion of such a clause and the terms thereof are matters for negotiation and agreement between the Contractor and the subcontractor, provided that they do not conflict with the duties of the Contractor under its contract with the Government. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification to be submitted by his subcontractors.

(e) The terms defined in Sec. 331.2 of Part 331 of Title 4, Code of Federal Regulations (4 CFR 331.2) shall have the same meanings herein. As there defined, "negotiated subcontract" means any subcontract except a firm fixed-price subcontract made by a Contractor or subcontractor after receiving offers from at least two firms not associated with each other or such Contractor or subcontractor, providing (1) the solicitation to all competing firms is identical, (2) price is the only consideration in selecting the subcontractor from among the competing firms solicited, and (3) the lowest offer received in compliance with the solicitation from among those solicited is accepted.

7. Section 18-7.104-63 is added.

§ 18-7.104-63 Required source for jewel bearings.

In accordance with the requirements of § 18-1.315, insert the clause set forth therein.

8. Section 18-7.108-1 is revised to read as follows:

§ 18-7.108-1 Firm targets.

When, in accordance with the provisions of Subpart 18-3.4 of this chapter, the fixed-price incentive contract described in § 18-3.404-4(a)(2) is to be used, the following clause shall be made a part of the contract. As to each item which is to be subject to incentive price revision, the contract Schedule shall set forth the target cost, target profit, and target price.

INCENTIVE PRICE REVISION (FIRM TARGET) (JUNE 1973)

(a) *General.* The supplies or services identified in the Schedule as items _____ are subject to price revision in accordance with the provisions of this clause; *provided*, that in no event shall the total final price of such items exceed _____ dollars ($____). Any supplies or services which are to be ordered separately under, or otherwise added to, this contract, and which are to be subject to price revision in accordance with the provisions of this clause, shall be identified as such in a modification to this contract.

(b) *Definition of Cost.* For the purposes of this clause, "cost" or "costs" means allowable cost in accordance with Part 15 of the NASA Procurement Regulation as in effect on the date of this contract.

(c) *Submission of Data.* Within _____ (____) days after the end of the month in which the Contractor has delivered the last unit of supplies and completed the services called for by those items referred to in paragraph (a) above, the Contractor shall submit, on DD Form 633-6 or other form as the Contracting Officer may require, (i) a detailed statement of all costs incurred up to the end of that month in performing all work under such items, and (ii) an estimate of costs of such further performance, if any, as may be necessary to complete performance of all work with respect to such items.

(d) *Price Revision.* Upon submission of the data required by paragraph (c) above, the Contractor and the Contracting Officer shall promptly establish the total final price in accordance with the following:

(1) On the basis of the information required by paragraph (c) above, together with any other pertinent information, there shall be established by negotiation the total final cost incurred or to be incurred for the supplies delivered (or services performed) and accepted by the Government, which are subject to price revision under this clause.

(2) The total final price shall be established by adjusting the total final negotiated cost by an amount for profit or loss determined as follows:

WHEN THE TOTAL FINAL NEGOTIATED COST IS:	THE ADJUSTMENT FOR PROFIT OR LOSS IS:
Equal to the total target cost	Total target profit.
Greater than the total target cost	Total target profit less ____ percent (____%) of the amount by which the total final negotiated cost exceeds the total target cost.
Less than the total target cost	Total target profit plus ____ percent (____%) of the amount by which the total final negotiated cost is less than the total target cost.

(3) The total final price of the items referred to in paragraph (a) above shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer. Such price shall not be subject to revision notwithstanding any changes in the cost of performing the contract, with the following exceptions:

(i) insofar as the parties may agree in writing, prior to the determination of the total final price, (A) to exclude any specific elements of cost from the total final price and (B) to a procedure to provide subsequent disposition of such elements; and

(ii) to the extent any adjustment or credit is explicitly permitted or required by this or any other clause of this contract.

(e) *Subcontracts.* No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(f) *Adjustment of Payments.* Pending execution of the contract modification re-

ferred to in subparagraph (d)(3) above, the Contractor shall submit invoices or vouchers in accordance with billing prices as provided in this paragraph. The billing prices shall be the target prices set forth in this contract; *provided*, that if at any time it appears that the then current billing prices will be substantially greater than the estimated final price in light of information provided by the Contractor in accordance with the provisions of subparagraph (g)(2) below, a reduction in the billing prices shall be negotiated. Similarly, the parties may negotiate an increase in billing prices by any or all of the difference between the target price and the ceiling price upon submission of factual data from the Contractor showing that final costs under this contract will be substantially greater than target cost. Any adjustment of billing prices shall be reflected in a modification to this contract, and shall not affect the determination of the total final price under paragraph (d) above. After execution of the contract modification referred to in subparagraph (d)(3) above, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the total final price and any additional payments, refunds, or credits, resulting therefrom shall be promptly made.

(g) *Limitation on Payments.* (1) This paragraph (g) shall not apply after final price revision.

(2) Within forty-five (45) days after the end of each quarter of the Contractor's fiscal year, beginning for the quarter in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and as of the end of each quarter, the Contractor shall submit to the Contracting Officer, with a copy thereof to the cognizant contract auditor, a cumulative statement setting forth:

(i) the total contract price of all supplies delivered (or services performed) and accepted by the Government for which final prices have been established;

(ii) on DD Form 633–6 or other format approved by the Contracting Officer, the total costs (estimated to the extent necessary) reasonably incurred for and properly allocable solely to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established;

(iii) that portion of the total target profit which is in direct proportion to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established, increased or decreased in accordance with the incentive profit formula set forth in (d)(2) above when the amount of costs stated under (ii) above differs from the aggregate target costs of such supplies or services; and

(iv) the total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount of (2)(iv) above exceeds the sum of (2)(i), (ii), and (iii) above, the Contractor shall immediately refund or credit to the Government against existing unpaid invoices or vouchers covered by such statement the amount of such excess less (i) the cumulative total of any previous refunds or credits under this clause (exclusive of any tax credits under Section 1481 of the Internal Revenue Code of 1954) and (ii) any applicable tax credits under Section 1481 of the Internal Revenue Code of 1954. If any portion of such excess has been applied to the liquidation of progress payments, such amount (less all tax credits under the Internal Revenue Code) may be added or restored to the unliquidated progress payment account, to the extent consistent with the "Progress Payments" clause of this contract, instead of direct refund thereof.

(4) The Contractor shall (i) insert in each price redetermination or incentive price revision subcontract hereunder the substance of this paragraph (g), including this subparagraph (4), modified to omit mention of the Government and reflect the position of the Contractor as purchaser and of the subcontractor as vendor, and to omit that portion of subparagraph (3) relating to tax credits, and (ii) include in each cost-reimbursement type subcontract hereunder a requirement that each price redetermination and incentive price revision subcontract thereunder will contain the substance of this paragraph (g), including this subparagraph (4) modified as outlined in (i) above.

(h) *Disagreements.* If the Contractor and the Contracting Officer fail to agree upon the total final price within 60 days after the date on which the data required by (c) above are to be submitted, or within such further time as may be specified by the Contracting Officer, such failure to agree shall be deemed to be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract and the Contracting Officer shall promptly issue a decision thereunder.

(i) *Termination.* If this contract is terminated prior to establishment of the total final price, prices of supplies or services subject to price revision under this clause shall be established pursuant to this clause for (i) completed supplies accepted by the Government and services performed and accepted by the Government, and (ii) in the event of a partial termination, supplies and services which are not terminated. The termination shall be otherwise accomplished pursuant to other applicable provisions of this contract.

(j) *Equitable Adjustment Under Other Clauses.* If an equitable adjustment in the contract price is made under any other clause of this contract before the total final price is established, the adjustment shall be made in the total target cost and may be made in the maximum dollar limit on the total final price, the total target profit or both. If such an adjustment is made after the total final price is established, adjustment shall be made only in the total final price.

(k) *Exclusion From Target Price and Total Final Price.* Whenever any clause of this contract provides that the contract price does not or will not include an amount for a specific purpose, such provision shall mean that neither any target price nor the total final price includes or will include any amount for such purpose.

(l) *Separate Reimbursement.* The cost of performance of an obligation that any clause of this contract expressly provides is at Government expense shall not be included in any target price or in the total final price, but shall be reimbursed separately.

(m) *Taxes.* As used in the "Federal, State, and Local Taxes" clause of this contract or any other clause of this contract that provides for certain taxes or duties to be included in, or excluded from, the contract price, the term "contract price" includes the total target price, or if it has been established, the total final price. When a provision in such clause or clauses requires that the contract price be increased or decreased as a result of changes in the obligation of the Contractor to pay or bear the burden of certain taxes or duties, such increase or decrease shall be made in the total target price or, if it has been established, in the total final price, so as not to affect the contractor's profit or loss on this contract.

In the event the contract calls for parts or other supplies or services, which are to be ordered under a provisioning document or Government option and the prices of such supplies or services are to be made subject to incentive price revision in accordance with the above clause, the following provision (n) shall be included in such clause:

(n) *Parts.* Parts, other supplies, or services, which are to be furnished under this contract pursuant to a provisioning document or Government option, shall be subject to price revision in accordance with the provisions of this clause, and any prices established for such parts, other supplies, or services, pursuant to such provisioning document or Government option, shall be deemed to be target prices. Target cost and profit covering such parts, other supplies, or services may be established either separately, in the aggregate, or in any combination thereof, as the parties may agree.

9. Section 18–7.108–2 is revised to read as follows:

§ 18–7.108–2 Successive targets.

When in accordance with the provisions of Subpart 18–3.4 of this chapter, the fixed-price incentive contract described in § 18–3.404–4(a)(3) is to be used, the following clause shall be made a part of the contract. As to each item which is to be subject to incentive price revision, the contract Schedule shall set forth the initial target cost, initial target profit, and initial target price.

INCENTIVE PRICE REVISION (SUCCESSIVE TARGETS) (JUNE 1973)

(a) *General.* The supplies or services identified in the Schedule as items ____ are subject to price revision in accordance with the provisions of this clause; *provided*, that in no event shall the total final price of such items exceed _____ dollars ($____). The prices of these items as shown in the Schedule are the initial target prices, which include an initial target profit of ____ percent (____%) of the initial target cost. Any supplies or services which are to be ordered separately under, or otherwise added to, this contract, and which are to be subject to price revision in accordance with the provisions of this clause, shall be identified as such in a modification to this contract.

(b) *Definition of Cost.* For the purposes of this clause, "cost" or "costs" means allowable costs in accordance with Part 15 of the NASA Procurement Regulation as in effect on the date of this contract.

(c) *Submission of Data for Establishment of Firm Fixed Price or Final Profit Adjustment Formula.*

(1) Within ____ (____) days after the end of the month in which the Contractor has completed _____,[1] the Contractor shall submit:

(i) a proposed firm fixed price or total firm target price for supplies delivered and to be delivered and the services performed and to be performed;

(ii) a detailed statement of all costs incurred in the performance of this contract through the end of the month specified above, on DD Form 633–6 or in such other form as the parties may agree, together with sufficient supporting data to disclose unit costs and cost trends for:

(A) supplies delivered and services performed, and

(B) inventories of work in process and un-

[1] The degree of completion may be based on a percentage of contract performance or any other reasonable basis.

delivered contract supplies on hand (estimated to the extent necessary);

(iii) an estimate of costs of all supplies delivered and to be delivered and all services performed and to be performed under this contract, using the statement of costs incurred plus an estimate of costs to complete performance, on DD Form 633–6 or in such other form as the parties may agree, together with:

(A) sufficient data to support the accuracy and reliability of such estimate, and

(B) an explanation of the difference between such an estimate and the original estimate used in establishing the initial target prices set forth in this contract for the same supplies or services.

(2) In addition to the data submitted under subparagraph (1) above, the Contractor shall submit the following:

(i) supplemental statements of costs incurred subsequent to the end of the month specified in (1) above for:

(A) supplies delivered and services performed, and

(B) inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary); and

(ii) any other relevant data which may reasonably be required by the Contracting Officer;

as and to the extent that such information becomes available prior to the conclusion of negotiations establishing the total firm target price.

(d) *Establishment of Firm Fixed Price or Final Profit Adjustment Formula.* Upon submission of the data required by paragraph (c) above, the Contractor and the Contracting Officer shall promptly establish either a firm fixed price or a profit adjustment formula for determining final profit in accordance with the following:

(1) A total firm target cost shall be negotiated, based upon the data submitted under paragraph (c) above.

(2) If the total firm target cost is more than the total initial target cost, the total initial target profit will be decreased, or if the total firm target cost is less than the total initial target cost, the total initial target profit will be increased by ____ percent (____%) of the difference between the total initial target cost and the total firm target cost [2] and the resulting amount shall be the total firm target profit, *provided*, that in no event will such total firm target profit be less than ____ percent (____%) or more than ____ percent (____%) of the total initial target cost.

(3) If the total firm target cost plus the total firm target profit present a reasonable price for performance of that part of the contract subject to price revision under this clause, the parties may agree on a firm fixed price. In this event, the firm fixed price shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer.

(4) Failure of the parties to agree as to a firm fixed price shall not constitute a dispute under the "Disputes" clause of this contract. In such event or, if establishment of a firm fixed price is considered to be inappropriate, the Contractor and the Contracting Officer shall establish a profit adjustment formula for determining final profit or loss in accordance with the following:

When the Total Final Negotiated Cost Is:	The Adjustment for Final Profit or Loss Is:
Equal to the total firm target cost	Total firm target profit.
Greater than the total firm target cost	Total firm target profit less ____ percent (____%) of the amount by which the total final negotiated cost exceeds the total firm target cost.
Less than the total firm target cost	Total firm target profit plus ____ percent (____%) of the amount by which the total final negotiated cost is less than the total firm target cost.

The total firm target cost, total firm target profit, and profit adjustment formula for determining final profit shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer.

(e) *Submission of Data for Final Price Revision.* Unless a firm fixed price has been agreed to pursuant to paragraph (d) above, the Contractor shall submit on DD Form 633–6 or in such form as the Contracting Officer may require and within ____ (____) days after the end of the month in which the Contract has delivered the last unit of supplies and completed the services called for by those items referred to in paragraph (a) above, (i) a detailed statement of all costs incurred up to the end of that month in performing all work under such items, and (ii) an estimate of costs of such further performance, if any, as may be necessary to complete performance of all work with respect to such items.

(f) *Final Price Revision.* Unless a firm fixed price has been agreed to pursuant to paragraph (d) above the Contractor and the Contracting Officer shall, as soon as practicable after submission of the data required by paragraph (e) above establish the total final price in accordance with the following:

(1) On the basis of the information required by paragraph (e) above, together with any other pertinent information, there shall be established by negotiation the total final negotiated cost incurred or to be incurred for the supplies delivered (or services performed) and accepted by the Government, which are subject to price revision under this clause.

(2) The total final price shall be established by adjusting the total final negotiated cost by an allowance for final profit or loss determined in accordance with the formula agreed to pursuant to subparagraph (d)(4) above.

(3) The total final price of the items referred to in paragraph (a) above shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer. Such price shall not be subject to revision notwithstanding any changes in the cost of performing the contract with the following exceptions:

(i) insofar as the parties may agree in writing, prior to the determination of the total final price,

(A) to exclude any specific elements of cost from the total final price and

(B) to a procedure to provide subsequent disposition of such elements; and

(ii) to the extent any adjustment or credit is explicitly permitted or required by this or any other clause of this contract.

(g) *Subcontracts.* No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(h) *Adjustment of Payments.* Pending execution of the contract modification referred to in subparagraph (f)(3) above, the Contractor shall submit invoices or vouchers in accordnce with billing prices as provided in this paragraph. The billing prices shall be the initial target prices set forth in this contract until firm target prices are established pursuant to paragraph (d) above; thereafter the firm target prices shall be used for billing; *provided* that if at any time it appears that the then current billing prices will be substantially greater than the estimated final price in light of information provided by the Contractor in accordance with the provisions of subparagraph (i)(3) below, a reduction in the billing prices shall be negotiated. Similarly, the parties may negotiate an increase in billing prices by any or all of the difference between the target price and the ceiling price upon submission of factual data from the Contractor showing that the final costs under this contract will be substantially greater than target cost. Any adjustment of billing prices shall be reflected in a modification to this contract, and shall not affect the determination of any price under paragraph (d) or (f) above. After execution of the contract modification referred to in subparagraph (f)(3) above, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the total final price and any additional payments, refunds, or credits resulting therefrom shall be promptly made.

(i) *Limitation on Payments.* (1) This paragraph (i) shall not apply after a firm fixed price or a total final price is established pursuant to subparagraph (d)(3) or (f)(2).

(2) Within forty-five (45) days after the end of each quarter of the Contractor's fiscal year beginning for the quarter in which a delivery is first made or services are first performed and accepted by the Government under this contract and as of the end of each quarter, the Contractor shall submit to the Contracting Office with a copy thereof to the cognizant contract auditor a cumulative statement setting forth:

(i) the total contract price of all supplies delivered (or services performed) and accepted by the Government for which final prices have been established;

(ii) the total costs (estimated to the extent necessary) reasonably incurred for and properly allocable solely to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established;

(iii) that portion of the total firm target profit which is in direct proportion to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established, increased or decreased in accordance with the incentive profit formula set forth in subparagraph (d)(4) above when the amount of costs stated under (ii) above differs from the aggregate firm target costs of such supplies or services; and;

(iv) the total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount stated in (2)(iv) above exceeds the sum stated in (2) (i), (ii), and (iii) above, the Contractor

[2] The language may be changed as necessary to set forth the negotiated adjustment pattern where the percentage figure to be used for adjustment of the initial target profit is not the same for all levels of cost variation.

shall immediately refund or credit to the Government against existing unpaid invoices or vouchers covered by such statement the amount of such excess less (i) the cumulative total of any previous refunds or credits under this clause (exclusive of any tax credits under Section 1481 of the Internal Revenue Code of 1954) and (ii) any applicable tax credits under Section 1481 of the Internal Revenue Code of 1954. If any portion of such excess has been applied to the liquidation of progress payments, such amount (less all tax credits under the Internal Revenue Code) may be added or restored to the unliquidated progress payment account, to the extent consistent with the "Progress Payments" clause of this contract instead of direct refund thereof.

(4) The Contractor shall (i) insert in each price redetermination or incentive price revision subcontract hereunder the substance of ths paragraph (i), including this subparagraph (4), modified to omit mention of the Government and reflect the position of the Contractor as purchaser and of the subcontractor as vendor, and to omit that portion of subparagraph (3) relating to tax credits, and (ii) include in each cost-reimbursement type subcontract hereunder a requirement that each price redetermination and incentive price revision subcontract thereunder will contain the substance of this paragraph (i), including this subparafraph (4) modified as outlined in (i) above.

(j) *Disagreements.* If the Contractor and the Contracting Officer fail to agree upon (i) total firm target cost and a final profit adjustment formula, or (ii) a total final price, within 60 days after the date for the submission of the data required by paragraphs (c) and (e) respectively, or within such further time as may be specified by the Contracting Officer, such failure to agree shall be deemed to be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract, and the Contracting Officer shall promptly issue a decision thereunder.

(k) *Termination.* If this contract is terminated prior to establishment of the total final price, prices of supplies or services subject to price revision under this clause shall be established pursuant to this clause for (i) completed supplies accepted by the Government and services performed and accepted by the Government, and (ii) in the event of a partial termination, supplies and services which are not terminated. The termination shall be otherwise accomplished pursuant to other applicable provisions of this contract.

(l) *Equitable Adjustments Under Other Clauses.* If an equitable adjustment in the contract price is made under any other clause of this contract before the total final price is established, the adjustment shall be made in the total target cost and may be made in the maximum dollar limit on the total final price, the total target profit or both. If such an adjustment is made after the total final price is established, adjustment shall be made only in the total final price.

(m) *Exclusion From Target Price and Total Final Price.* Whenever any clause of this contract provides that the contract price does not or will not include an amount for a specific purpose, such provision shall mean that neither any target price nor the total final price includes or will include any amount for such purpose.

(n) *Separate Reimbursement.* The cost of performance of an obligation that any clause of this contract expressly provides is at Government expense shall not be included in any target price or in the total final price, but shall be reimbursed separately.

(o) *Taxes.* As used in the clause of this contract entitled "Federal, State, and Local Taxes" or any other clause of this contract that provides for certain taxes or duties to be included in, or excluded from, the contract price, the term "contract price" includes the total target price or if it has been established, the total final price. When a provision in such clause or clauses requires that the contract price be increased or decreased as a result of changes in the obligation of the Contractor to pay or bear the burden or certain taxes or duties, such increase or decrease shall be made in the total target price or, if it has been established in the total final price, so as not to effect the Contractor's profit or loss on this contract.

In the event the contract calls for parts or other supplies or services which are to be ordered under a provisioning document or Government option and the prices of such supplies or services are to be made subject to incentive price revision in accordance with the above clause, the following provision (p) shall be included in such clause:

(p) *Parts.* Parts, other supplies or services, which are to be furnished under this contract pursuant to a provsioning document or Government option, shall be subject to price revision in accordance with the provisions of this clause, and any prices established for such parts, other supplies, or services, pursuant to such provisioning document or Government option, shall be deemed to be initial target prices or target prices as agreed upon and stipulated in the pricing document supporting the provisioning or added items. Initial or firm target costs and profits and final prices covering such parts, other supplies, or services may be established either separately, in the aggregate, or in any combination thereof, as the parties may agree.

10. Section 18–7.109–2 is revised to read as follows:

§ 18–7.109–2 Prospective periodic price redetermination at stated intervals.

(a) *Description, Applicability, and Limitations.* See § 18–3.404–5.

(b) *Clause.*

PRICE REDETERMINATION (TYPE A) (JUNE 1973)

(a) *General.* The unit prices and the total price set forth in this contract shall be periodically redetermined in accordance with the provisions of this clause.[1] The prices for supplies delivered and services performed prior to the first effective date of price redetermination shall remain fixed.

(b) *Price Redetermination Periods.* For the purpose of price redetermination the performance of this contract is divided into successive periods. The first period shall extend from the date of this contract to ------,[2] and the second and each succeeding period shall extend for ------ (----) months from the end of the last preceding period, except that the final period may be varied by agreement of the parties. The first day of the second and each succeeding period shall be the effective date of price redetermination for the period.

(c) *Price Redetermination.* Not more than ----[3] days nor less than ----[3] days before the end of each redetermination period, except the last, and as otherwise provided in (iii) below, the Contractor shall submit:

(i) Proposed prices for supplies which may be delivered or services which may be performed in the next succeeding period under this contract, together with—

(A) An estimate and breakdown of the costs of such supplies or services on DD Form 633–6 or in any other form on which the parties may agree;

(B) Sufficient data to support the accuracy and reliability of such estimate; and

(C) An explanation of the differences between such estimate and the original (or last preceding) estimate for the same supplies or services;

(ii) A statement of all costs incurred in the performance of this contract through the end of the ————[4] month prior to the date of the submission of proposed prices, on DD Form 633–6 or in any other form on which the parties may agree, together with sufficient supporting data to disclose unit costs and cost trends for—

(A) Supplies delivered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary);

(iii) Supplemental statements of costs incurred subsequent to the date set forth in (ii) above for—

(A) Supplies delivered and services performed; and

(B) Inventories of work in process and undelivered contract supplies on hand (estimated to the extent necessary);

as and to the extent that such information becomes available prior to the conclusion of negotiations on redetermined prices; and

(iv) Any other relevant data which may reasonably be required by the Contracting Officer.

For the purpose of the foregoing submission, "costs" means allowable costs in accordance with Part 15 of the NASA Procurement Regulation as in effect on the date of this contract. Upon receipt of the data required by this subparagraph (c), the Contractor and the Contracting Officer shall promptly negotiate to redetermine fair and reasonable contract prices for supplies which may be delivered and services which may be performed in the period following the effective date of price redetermination. Where the Contractor fails to submit the data as required above within the time specified, payments under this contract may be suspended by the Contracting Officer until the data are furnished.

(d) *Subcontracts.* No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(e) *Contract Modifications.* Each negotiated redetermination of prices shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, setting forth the redetermined prices

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[1] Where a ceiling is applicable, the following proviso shall be added: "*provided,* that in no event shall the total amount paid under this contract exceed -------- dollars ($------)". Alternatively, the contract may provide ceiling amounts for each or any of the price redeterminations under the contract.

[2] This point may be expressed in terms of units delivered, or as a calendar date, but in either case the period shall generally end on the last day of a month.

[3] Insert in the blanks numbers of days so that the Contractor's submission will be late enough to reflect recent cost experience (having in mind the Contractor's accounting system), but early enough to permit review, audit if necessary, and negotiation prior to the start of prospective period.

[4] Insert the word "first," except the word "second" may be inserted if necessary to achieve compatibility with the Contractor's accounting system.

for supplies delivered and services performed hereunder during the applicable price redetermination period.

(f) *Adjustment of Payments.* Pending execution of the contract modification referred to in paragraph (e) above, the Contractor shall submit invoices or vouchers in accordance with billing prices as provided in this paragraph. The billing prices shall be the prices set forth in the contract; *provided* that, if at any time it appears that the then current billing prices will be substantially greater than the estimated final price in light of information provided by the Contractor in accordance with the provisions of subparagraph (g) (3) below, a reduction in the billing prices shall be negotiated. Similarly, the parties may negotiate an increase in billing prices upon submission of factual data from the Contractor showing that the redetermined price will be substantially greater than the current billing price. Any adjustment of billing prices shall be reflected in a modification to this contract, and shall not affect the redetermination of prices under this clause. After execution of the contract modification referred to in paragraph (e) above, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed prices, and any additional payments, refunds, or credits, resulting therefrom shall be promptly made.

(g) *Limitation on Payments.* (1) This paragraph (g) shall apply only during a period for which firm prices have not been established.

(2) Within 45 days after the end of each quarter of the Contractor's fiscal year, beginning for the quarter in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and as of the end of each quarter, the Contractor shall submit to the Contracting Officer, with a copy thereof to the cognizant contract auditor, a statement cumulative from the inception of the contract, setting forth:

(i) the total contract price of all supplies delivered (or services performed) and accepted by the Government for which final prices have been established;

(ii) the total costs (estimated to the extent necessary) reasonably incurred for and properly allocable solely to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established;

(iii) that portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (g), Limitation on Payments), which is in direct proportion to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established; and

(iv) the total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments);

Provided, That such statement need not be submitted for any quarter for which either no costs are to be reported under (ii) above or revised billing prices have been established in accordance with paragraph (g) above nad do not exceed the existing contract price, the Contractor's price-redetermination offer, or a price based on the most recent quarterly statement, whichever is least.

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount of (2) (iv) above exceeds the sum of (2) (i), (ii), and (iii) above, the Contractor shall immediately refund or credit to the Government against existing unpaid invoices or vouchers covered by such statement the amount of such excess less (1) the cumulative total of any previous refunds or credits under this clause (exclusive of any applicable tax credits under Section 1481 of the Internal Revenue Code of 1954) and (ii) any applicable tax credits under Section 1481 of the Internal Revenue Code of 1954. If any portion of such excess has been applied to the liquidation of progress payments, such amount (less all tax credits under the Internal Revenue Code) may be added or restored to the unliquidated progress payment account, to the extent consistent with the progress payments clause of this contract, instead of direct refund thereof.

(4) The Contractor shall (i) insert in each price redetermination or incentive price revision subcontract hereunder the substance of this "Limitation on Payments" provision, including this subparagraph (4), modified to omit mention of the Government and reflect the position of the Contractor as purchaser and of the subcontractor as vendor, and to omit that portion of subparagraph (3) relating to tax credits, and (ii) include in each cost-reimbursement type subcontract hereunder a requirement that each price redetermination and incentive price revision subcontract thereunder will contain the substance of this "Limitation on Payments" provision, including this subparagraph (4), modified as outlined in (i) above.

(h) *Disagreements.* If the Contractor and the Contracting Officer fail to agree upon redetermined prices for any price redetermination period within sixty (60)[5] days after the date on which the data required by (c) above is to be filed, or within such further time as may be agreed upon by the parties, the failure to agree upon redetermined prices shall be deemed to be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes," and the Contracting Officer shall promptly issue a decision thereunder. For the purpose of (e), (f), and (g) above, and pending final settlement of the disagreement on appeal, or by failure to appeal, or by agreement, such a decision shall be treated as an executed contract modification. Pending such final settlement, price redetermination for subsequent periods, if any, shall continue to be negotiated as hereinbefore provided.

(i) *Termination.* If this contract is terminated, prices shall continue to be established pursuant to this clause (i) for completed supplies accepted by the Government and services performed and accepted by the Government, and (ii) in the event of a partial termination, for supplies and services which are not terminated. All other elements of the termination shall be resolved pursuant to other applicable provisions of this contract.

11. Section 18–7.109–3 is revised to read as follows:

§ 18–7.109–3 Retroactive price redetermination after completion.

(a) *Description, Applicability, and Limitations.* See § 18–3.404–6.

(b) *Clause.*

PRICE REDETERMINATION (TYPE E) (JUNE 1973)

(a) *General.* The unit prices and the total price set forth in this contract shall be redetermined in accordance with the provisions of this clause: *provided,* that in no event shall the total amount paid under this contract exceed _____ dollars ($____).

(b) *Price Redetermination.* Within _____ (__) days after delivery of all supplies to be delivered and completion of all services to be performed under this contract, the Contractor shall submit (i) proposed prices, (ii) a statement of all costs incurred in the performance of this contract, allowable in accordance with Part 15 of the NASA Procurement Regulation as in effect on the date of this contract, on DD Form 633–6 or any other form on which the parties may agree, and (iii) any other relevant data which may reasonably be required by the Contracting Officer. Upon receipt of the required data, the Contractor and the Contracting Officer shall promptly negotiate to redetermine fair and reasonable contract prices for supplies delivered and services performed by the Contractor under this contract. Where the Contractor fails to submit the required data within the time specified, payment of all invoices may be suspended by the Contracting Officer until the data are furnished.

(c) *Subcontracts.* No subcontract under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(d) *Contract Modification.* The negotiated redetermination of price shall be evidenced by a modification to this contract, signed by the Contractor and the Contracting Officer, setting forth the redetermined prices which shall apply to supplies delivered and to services performed by the Contractor hereunder.

(e) *Adjustment of Payments.* Pending execution of the contract modification referred to in paragraph (d) above, the Contractor shall submit invoices or vouchers in accordance with billing prices as provided in this paragraph. The billing prices shall be the prices set forth in this contract; *provided* that, if at any time it appears that the then current billing prices will be substantially greater than the estimated final price in light of information provided by the Contractor in accordance with the provisions of subparagraph (f) (3) below, a reduction in the billing prices shall be negotiated. Similarly, the parties may negotiate an increase in billing prices upon submission of factual data from the Contractor showing that the redetermined price will be substantially greater than the current billing price. Any adjustment of billing prices shall be reflected in a modification to this contract, and shall not affect the redetefmination of prices under this clause. After execution of the contract modification referred to in paragraph (d) above, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the agreed prices, and any additional payments, refunds, or credits, resulting therefrom shall be promptly made.

(f) *Limitation on Payments.* (1) This paragraph (f) shall apply until final price redetermination to the full extent permitted by this contract.

(2) Within 45 days after the end of each quarter of the Contractor's fiscal year, beginning for the quarter in which a delivery is first made (or services are first performed) and accepted by the Government under this contract, and as of the end of each quarter, the Contractor shall submit to the Contracting Officer, with a copy thereof to the cognizant contract auditor, a statement cumulative from the inception of the contract, setting forth:

(i) the total contract price of all supplies delivered (or services performed) and accepted by the Government for which final prices have been established;

(ii) the total costs (estimated to the extent necessary) reasonably incurred for and properly allocable solely to the supplies delivered (or services performed) and accepted by the Government for which final prices have not been established;

(iii) that portion of the total interim profit (used in establishing the initial contract price or agreed to for the purpose of this paragraph (f), Limitation on Payments), which is in direct proportion to the supplies

[5] This period may be varied by the parties at the time of negotiating the contract.

delivered (or services performed) and accepted by the Government for which final prices have not been established; and

(iv) the total amount of all invoices or vouchers for supplies delivered (or services performed) and accepted by the Government (including amounts applied or to be applied to liquidate progress payments).

(3) Notwithstanding any provision of this contract authorizing greater payments, if on any quarterly statement the amount of (2)(iv) above exceeds the sum of (2)(i), (ii), and (iii) above, the Contractor shall immediately refund or credit to the Government against existing unpaid invoices or vouchers covered by such statement the amount of such excess less (i) the cumulative total of any previous refunds or credits under this clause (exclusive of any applicable tax credits under Section 1481 of the Internal Revenue Code of 1954) and (ii) any applicable tax credits under Section 1481 of the Internal Revenue Code of 1954. If any portion of such excess has been applied to the liquidation of progress payments, such amount (less all tax credits under the Internal Revenue Code) may be added or restored to the unliquidated progress payment account, to the extent consistent with the Progress Payments clause of this contract, instead of direct refund thereof.

(4) The Contractor shall (i) insert in each price redetermination or incentive price revision subcontract hereunder the substance of this "Limitation on Payments" provision, including this subparagraph (4), modified to omit mention of the Government and reflect the position of the Contractor as purchaser and of the subcontractor as vendor, and to omit that portion of subparagraph (3) relating to tax credits, and (ii) include in each cost-reimbursement type subcontract hereunder a requirement that each price redetermination and incentive price revision subcontract thereunder will contain the substance of this "Limitation on Payments" provision, including this subparagraph (4), modified as outlined in (i) above.

(g) *Disagreements.* If the Contractor and the Contracting Officer fail to agree upon redetermined prices within sixty (60)[1] days after the date on which the data required by (b) above is to be filed, or within such further time as may be agreed upon by the parties, the failure to agree upon redetermined prices shall be deemed to be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes," and the Contracting Officer shall promptly issue a decision thereunder. For the purpose of paragraphs (d), (e), and (f) above, and pending final settlement of the disagreement on appeal, or by failure to appeal, or by agreement, such a decision shall be treated as an executed contract modification.

(h) *Termination.* If this contract is terminated prior to price redetermination, prices shall be established pursuant to this clause for completed supplies and services which are not terminated. All other elements of the termination shall be resolved pursuant to other applicable provisions of this contract.

§ 18–7.109–4 [Deleted]

12. Section 18–7.109–4 is deleted.

13. Section 18–7.203–4(a) is revised to read as follows:

§ 18–7.203–4 Allowable cost, fee and payment.

(a) *Allowable cost, fixed fee and payment.* Insert the following clause in all cost-reimbursement type contracts, except as provided in paragraph (b) of this section. Additional instructions for use of the clause are set forth in paragraph (c) of this section.

ALLOWABLE COST, FIXED FEE AND PAYMENT (JULY 1965)

(a) For the performance of this contract, the Government shall pay to the Contractor:

(i) The cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with—

(A) Part 15, Subpart 2 of the NASA Procurement Regulation as in effect on the date of this contract; and

(B) The terms of this contract; and

(ii) Such fixed fee, if any, as may be provided for in the Schedule.

(b) Once each month (or at more frequent intervals, if approved by the Contracting Officer), the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost.

(c) Promptly after receipt of each invoice or voucher the Government shall, subject to the provisions of (d) below, make payment thereon as approved by the Contracting Officer. Payment of the fixed fee, if any, shall be made to the Contractor as specified in the Schedule; *provided*, however, that after payment of eighty-five percent (85%) of the fixed fee set forth in the Schedule, further payment on account of the fixed fee shall be withheld until a reserve of either fifteen percent (15%) of the total fixed fee, or one hundred thousand dollars ($100,000), whichever is less, shall have been set aside.

(d) At any time or times prior to final payment under this contract the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceeding invoices or vouchers.

(e) On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including without limitation, the provisions relating to patents and the provisions of (f) below), the Government shall promptly, pay to the Contractor any balance of allowable cost, and any part of the fixed fee which has been withheld pursuant to (c) above or otherwise not paid to the Contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

(f) The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this contract shall be paid by the Contractor to the Government, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Contracting Office. Prior to final payment under this contract, the Contractor and each assignee under this contract whose assignment is in effect at the time of final payment under this contract shall execute and deliver:

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions—

(A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;

(B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; *provided*, that such claims are not known to the Contractor on the date of the execution of the release; and *provided further*, that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier;

(C) Claims for reimbursement of costs, including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents; and

(D) When there is included in this contract a clause entitled "Data Requirements," claims pursuant to such clause when a written request by the Contracting Officer to furnish data is made within the one-year period after final payment.

(g) Any cost incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or materials to be furnished by the Contractor at his expense or without cost to the Government.

* * * * *

14. Section 18–7.203–4(c) is revised to read as follows:

* * * * *

(c) *Additional instructions.*

(1) Whenever, pursuant to paragraph (c) of the clauses set forth in paragraphs (a) and (b) of this section, vouchers or invoices which are submitted for approval include amounts for progress payments made to fixed-price type subcontractors, the payment to the prime contractor may include the full amount of the progress payment made to the subcontractor.

(2) In paragraph (f)(ii)(B) of the foregoing clauses, the period of years may be increased to correspond with any statutory period of limitation applicable to claims of third parties against the contractor; *provided*, that a corresponding increase is made in the period of retention of records required in paragraph (d) of the clause set forth in § 18–7.104–15.

[1] This period may be varied by the parties at the time of negotiating the contract.

(3) The detailed arrangements for adjustment of base fee in award fee contracts shall be set forth in the contract Schedule.

(4) Paragraph (c) of the clause set forth in paragraph (b) of this section states that payment of fee shall be made to the contractor as specified in the Schedule. Generally the Schedule should provide that payment of fee will be based on target fee.

(5) In the case of cost-sharing contracts and cost-reimbursement type contracts without fee, use the clause set forth in paragraph (a) of this section modified as follows:

(i) Change the title of the clause to read "Allowable Cost and Payment."

(ii) Insert the following sentence in lieu of the second sentence of paragraph (c) of the clause,

"After payment of an amount equal to eighty percent (80%) of (Government's share of) the total estimated cost of performance of this contract set forth in the Schedule, further payment on account of allowable cost shall be withheld until a reserve of either one percent (1%) of (the Government's share of) such total estimated cost, or one hundred thousand dollars ($100,000), whichever is less, shall have been set aside."

If the contract does not provide for cost-sharing, delete the parenthetical reference to the Government's share from the above sentence.

(iii) Delete the words "and any part of the fixed fee' from paragraph (e); and

(iv) In contracts which provide for cost-sharing, delete paragraph (a)(ii).

(6) In the case of cost-plus-award-fee contracts, use the clause set forth in paragraph (a), modified as follows:

(i) Substitute the words "base fee and award fee" for "fixed-fee" wherever they appear except in (a)(ii); and

(ii) Change (a)(ii) to read as follows:

"such base fee, if any, and such additional fee as may be awarded, as provided for in the Schedule."

(7) In cost-plus-a-fixed-fee contracts which contain award fee provisions, use the clause set forth in paragraph (a) modified as follows:

(i) Substitute the words "fixed-fee and award fee" for "fixed-fee" wherever they appear except in (a)(ii); and

(ii) Change (a)(ii) to read as follows:

"such fixed-fee, if any, and such additional fee as may be awarded, as provided for in the schedule."

(8) In the case of combined cost-plus-incentive-fee/cost-plus-fixed-fee contracts use the clause set forth in paragraph (b), modified as follows:

(i) In subparagraph (c) delete "not lower than the minimum fee" and substitute therefore "not lower than the sum of the fixed-fee and minimum fee";

(ii) In subparagraph (c) delete "not to exceed the target fee" and substitute therefor "not to exceed the sum of the fixed-fee and target fee"; and

(iii) In subparagraph (h), delete "When the work under this contract" and substitute "When work subject to the incentive-fee portion of this contract".

(9) The contracting officer shall determine to his satisfaction that the estimated cost of the contract initially negotiated does not include amounts for the contingencies identified in paragraph (j) of the clause set forth in paragraph (b) of this section.

15. Section 18–7.203–29 is revised to read as follows:

§ 18–7.203–29 Audit by National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

16. Section 18–7.204–1(a) is revised to read as follows:

§ 18–7.204–1 Clauses for contracts involving construction work.

(a) In accordance with the requirements of Subpart 18–12.4, insert in cost-reimbursement type supply contracts which involve construction work the clauses listed below which are set forth in § 18–12.403–1:

Davis-Bacon Act
Contract work hours and safety standards act—Overtime compensation
Apprentices
Payrolls and payroll records
Compliance With Copeland Regulations
Withholding of funds
Subcontracts
Contract termination—Debarment

* * * * *

17. Section 18–7.204–22 is added.

§ 18–7.204–22 Required source for jewel bearings.

In accordance with the requirements of § 18–1.315, insert the clause set forth therein.

19. Section 18–7.303–24 is added.

§ 18–7.204–57 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

18. Section 18–7.204–57 is added.

§ 18–7.303–24 Required source for jewel bearings.

In accordance with the requirements of § 18–1.315, insert the clause set forth therein.

20. Section 18–7.303–29 is revised to read as follows:

§ 18–7.303–29 Audit by National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

21. Section 18–7.303–55 is added.

§ 18–7.303–55 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

22. Section 18–7.350–18 is revised to read as follows:

§ 18–7.350–18 Audit by National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

23. Section 18–7.350–19 is revised to read as follows:

§ 18–7.350–19 Cost Accounting Standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

24. Section 18–7.350–20 is added.

§ 18–7.350–20 Additional clauses.

When circumstances justify it, the clauses prescribed in §§ 18–7.302, 18–7.303, and 18–7.304 may be added to or substituted for the clauses set forth in § 18–7.350–1 through § 18–7.350–18; however, care should be exercised to ensure that there are no inconsistencies.

25. Section 18–7.402–16 is revised to read as follows:

§ 18–7.402–16 Contract work hours and Safety Standards Act—Overtime Compensation.

Insert the clause set forth in § 18–12.303–1. Note the introductory language required by § 18–12.303–2 for inclusion in contracts with a State or political subdivision thereof.

26. Section 18–7.402–30 is revised to read as follows:

§ 18–7.402–30 Audit By National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

§ 18–7.403–1 [Amended]

27. In § 18–7.403–1, paragraph (a) is revised to read as follows:

§ 18–7.403–1 Clauses for Contracts Involving Construction Work.

(a) In accordance with the requirements of Subpart 18–12.4, insert in cost-reimbursement type research and development contracts which involve construction work the clauses listed below, which are set forth in § 18–12.403–1:

Davis-Bacon Act
Contract work hours and safety standards Act—Overtime compensation
Apprentices
Payrolls and payroll records
Compliance with Copeland Regulations
Withholding of funds
Subcontracts
Contract termination—Debarment

* * * * *

28. Section 18–7.403–17 is added.

§ 18–7.403–17 Required source for jewel bearings.

In accordance with the requirements of § 18–1.315, insert the clause set forth therein.

29. Section 18–7.403–55 is added.

§ 18–7.403–55 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

30. Section 18–7.451–30 is revised to read as follows:

§ 18–7.451–30 Audit By National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

§ 18–7.452–1 [Amended]

31. In § 18–7.452–1, paragraph (a) is revised to read as follows.

§ 18–7.452–1 Clauses for contracts involving construction work.

(a) In accordance with the requirements of Subpart 18–12.4, insert in cost-reimbursement type research and development contracts with educational or nonprofit institutions, where construction work is involved, the clauses listed below, which are set forth in § 18–12.403–1:

Davis-Bacon Act
Contract work hours and safety standards act—Overtime compensation
Apprentices
Payrolls and payroll records
Compliance with copeland regulations
Withholding of funds
Subcontracts
Contract terminaton—Debarment

* * * * *

32. Section 18–7.452–16 is added.

§ 18–7.452–16. Required source for jewel bearings.

In accordance with the requirements of § 18–1.315, insert the clause set forth therein.

33. Section 18–7.452–55 is added.

§ 18–7.452–55 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

34. Section 18–7.460–4 is added.

§ 18–7.460–4 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

35. Section 18–7.460–6 is revised to read as follows:

§ 18–7.460–6 Examination of records.

In accordance with § 18–7.104–15, insert the clause set forth therein.

36. Section 18–7.460–21 is revised to read as follows:

§ 18–7.460–21 Audit By National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

37. Section 18–7.702–46 is revised to read as follows:

§ 18–7.702–46 Contract work hours and safety standards act—Overtime compensation.

Insert the appropriate clause set forth in § 18–12.303.

38. Section 18–7.702–48 is revised to read as follows:

§ 18–7.702–48 Audit By National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein as amended by § 18–7.104–42(b).

39. Section 18–7.703–38 is revised to read as follows:

§ 18–7.703–38 Contract work hours and safety standards act—Overtime compensation.

Insert the appropriate clause set forth in § 18–12.303–1.

40. Section 18–7.703–41 is revised to read as follows:

§ 18–7.703–41 Audit By National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein as amended by § 18–7.104–42(b).

41. Section 18–7.704–30 is revised to read as follows:

§ 18–7.704–30 Contract work hours and safety standards act—Overtime compensation.

Insert the appropriate clause set forth in § 18–12.303.

42. Section 18–7.704–33 is revised to read as follows:

§ 18–7.704–33 Audit By National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein as amended by § 18–7.104–42(b).

43. Section 18–7.705–17 is added.

§ 18–7.705–17 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

44. Section 18–7.901–11 is revised to read as follows:

§ 18–7.901–11 Contract work hours and safety standards act—Overtime compensation.

Insert the clause set forth in § 18–12.303–1.

45. Section 18–7.901–16 is revised to read as follows:

§ 18–7.901–16 Audit by National Aeronautics and Space Administration.

In accordance with § 18–7.104–42(a), insert the clause set forth therein.

46. Section 18–7.902–59 is added.

§ 18–7.902–59 Cost accounting standards.

In accordance with § 18–3.1204, insert the clause set forth in § 18–7.104–55.

PART 18–8—TERMINATION OF CONTRACTS

1. Section 18–8.206(c) is revised to read as follows:

* * * * *

(c) An initial conference shall be held with the contractor as promptly as possible to develop a definite program for effecting the settlement. Where appropriate in the judgment of the TCO, principal subcontractors should be present. The TCO shall prepare and place in the termination case file, a memorandum on the results of the conference. Topics discussed at the conference should include:

(1) General principles relatng to the settlement of any termination claim, including obligations of the contractor under the termination clause of the contract;

(2) Extent of the termination, point at which work is stopped, and status of any plans, drawings, and information which would have been delivered had the contract been completed;

(3) Status of any continuing work;

(4) Obligation of the contractor to terminate subcontracts and general principles to be followed in settlement of subcontractor claims;

(5) Names of subcontractors involved and the respective dates termination notices were issued to them;

(6) Contractor personnel handling, and methods for, review and settlement of subcontractor claims;

(7) Arrangements for transfer of title and delivery to the Government of any materials required by the Government;

(8) General principles and procedures to be followed in the protection, preservation, and disposition of contractor's and subcontractor's termination inventory, including the preparation of termination inventory schedules;

(9) Contractor accounting practices and preparation of DD Form 546 (Schedule of Accounting Information) (§ 18–8.802–9);

(10) Form in which settlement proposals shall be submitted;

(11) Accounting review of settlement proposals;

(12) Any requirement for interim financing in the nature of partial payments;

(13) Tentative time schedule for negotiation of the settlement including submission of settlement proposals, termination inventory schedules, and accounting information schedules by the contractor and subcontractors; and

(14) Actions taken by the contractor to minimize impact upon employees affected adversely by the termination (see paragraph 7 of the letter notice in § 18–8.801–2).

(15) Obligation of the contractor to furnish accurate, complete and current cost or pricing data and to certify to that effect in accordance with § 18–3.807–3(j) prior to execution of the termination settlement agreement in excess of $100,000.

2. Section 18–8.213–2(c) is revised to read as follows:

* * * * *

(c) *Interest.* No interest shall be paid by the Government on the amount due under a settlement agreement or a settlement by determination. Interest may, however, be allowed on successful appeals to the contracting officer's determination in accordance with the Payment of Interest on Contractors' Claims clause in § 18–1.333.

3. Section 18–8.404–4(a) is revised to read as follows:

§ 18–8.404–4 Adjustment of overhead costs.

(a) If the contract contains a negotiated overhead rate clause (see § 18–3.704) and it appears that adjustment of overhead costs applicable to vouchered costs under the procedure established for determining such negotiated overhead rates will unduly delay final settlement, the TCO after obtaining appro-

priate information from the cognizant auditor may agree with the contractor:

(1) To negotiate the amount of overhead for the contract for the period for which fixed overhead rates have not previously been negotiated, based upon audit recommendations requested by the TCO for such purpose or utilize billing rates for this period to expeditiously effect final settlement if the billing rate appears reasonable (see § 18–3.706(d)); or

(2) That any overhead adjustment shall be reserved in the final settlement agreement, pending establishment of negotiated rates in accordance with Subpart 18–3.7.

* * * * *

4. Section 18–8.404–5(a) is revised to read as follows:

§ 18–8.404–5 Final settlement.

(a) The TCO shall proceed with the settlement and execution of an appropriate settlement agreement upon receipt of the audit report, if applicable, and the contract audit closing statement covering vouchered costs (see § 18–51.309).

* * * * *

PART 18–9—INNOVATIONS, INVENTIONS, PATENTS, DATA AND COPYRIGHTS

1. Section 18–9.101–3 is revised to read as follows:

§ 18–9.101–3 Waiver of rights to inventions.

(a) Pursuant to the NASA Patent Waiver Regulations, 14 C.F.R. Section 1245, Subpart 1 (37 F.R. 17547–17551 August 30, 1972); NASA Management Instruction 5109.2B, the Administrator may, in appropriate cases, grant a request for the waiver of rights to any or all inventions made or which may be made under a NASA contract or subcontract. The conditions, reservations, and obligations of a waiver are set forth in the waiver regulations and will be included in the Instrument of Waiver.

(b) Under Section 1245.104 of the waiver regulations, advance waiver of rights to any or all inventions which may be made under a contract may be requested prior to the execution of the contract, or within 30 days after execution of the contract by the contractor. Waiver of rights to an identified invention made and reported under a contract may be requested under 14 C.F.R. Section 1245.105. Waiver of rights may be requested under any of these provisions even though a request under a different provision was not made, or if made, was not granted. Waiver of foreign rights under 14 C.F.R. Section 1245.106 may be requested concurrently with domestic rights or independently thereof.

(c) A request for the waiver of invention rights is made in the form of a petition, the requirements of which are specified in 14 C.F.R. Section 1245.110. Petitions for advance waiver of rights presented prior to contract execution must be submitted through the contracting officer to the Inventions and Contributions Board, National Aeronautics and Space Administration, Washington, D.C., 20546. All other petitions shall be submitted directly to this Board. Forms which may be used in petitioning for waiver of invention rights and other general information pertaining thereto may be obtained from the Board.

(d) Subcontractors and prospective subcontractors may petition for waiver of invention rights in the same manner as described in this Subpart for prime contractors. Petitions by subcontractors or prospective subcontractors may be submitted directly to the Board, except that when a petition is made prior to the execution of a contract, it must be submitted to the Board through the NASA contracting officer.

(e) Petitions for advance waiver of rights submitted by organizations selected for negotiation of a contract and petitions for advance waiver of rights submitted by contractors within 30 days after execution of a contract, will be considered by the Board. Contracting officers should forward such petitions to cognizant patent counsel for processing prior to the submission of the petitions to the Board. If the Board finds that a petition qualifies under the criteria set forth in Section 1245.104 of the regulations, it will recommend to the Administrator that waiver be granted. Should the Board, in considering a petition for advance waiver of rights prior to the execution of the contract, find that there is insufficient time or insufficient information presented to permit it to make its findings and recommendations to the Administrator without unduly delaying execution of the contract, the Board will inform the contracting officer to so notify the petitioner. The contractor may, within 30 days following execution of a contract, request the Board to reconsider the petition, either on the record or with any additional information which he may care to furnish in support of the original petition.

(f) Petitions for advance waiver should include sufficient information to permit the Board to make the specific findings under Section 1245.104 (c) and (d) of the regulations. These findings relate to the purpose of the contract, the field of science or technology of the contract, the relative commercial versus Government funding in the identified field of science, the commercial position of the contractor relative to the contract work or, if the contractor has not established such a commercial position, other facts which may, nevertheless, qualify the contractor under the "special situations" provisions of the regulations. In addition, Section 1245.104(b) of these regulations permit the Board to recommend to the Administrator the grant of waiver in "exceptional circumstances" when the Board is unable to make some of the specific findings required by the regulations. In the event the petitioner seeks to qualify his advance waiver as an "exceptional circumstance", sufficient information should be submitted to adequately support this finding.

(g) Advanced waiver of invention rights granted under Section 1245.104 of the regulations shall apply only to those inventions reported during the term of the applicable contract and upon which the contractor indicates that he has filed or intends to file an application for U.S. patent. The waiver shall extend to any division or continuation patent application provided the scope of the invention remains substantially the same as that of the reported invention. An advance waiver of rights shall also extend to any contract changes, modifications or supplemental agreements so long as the purpose of the contract or the scope of work to be performed is not substantially altered.

(h) When the "New Technology" clause of § 18–9.101–4 is to be applicable to the procurement, the following provision will be included in the request for proposals:

WAIVER OF RIGHTS TO INVENTIONS
(NOVEMBER 1972)

(a) In accordance with the NASA Patent Waiver Regulations, 14 C.F.R. Section 1245, Subpart 1 (37 F.R. 17547–17551, August 30, 1972), waiver of rights to any or all inventions made or which may be made under a NASA contract or subcontract may be requested at different time periods. Under Section 1245.104 of the regulations, advance waiver of rights to any or all inventions which may be made under a contract or subcontract may be requested prior to the execution of the contract or subcontract, or within 30 days after execution by the applicable Contractor. Waiver of rights to an identified invention made and reported under a contract or subcontract may be requested under 14 C.F.R. Section 1245.105, even though a request for an advance waiver was not made or, if made, was not granted.

(b) If a proposer intends to petition NASA for the waiver of invention rights prior to contract execution, the petition for waiver should be presented with the proposal. Forms which may be used in petitioning for waiver may be obtained from the NASA Inventions and Contributions Board, National Aeronautics and Space Administration, Washington, D.C. 20546. The findings which must be made by the Board in order to recommend that a waiver be granted are set forth in 14 C.F.R. Section 1245, Subpart 1.

(c) Petitions submitted with proposals selected for negotiation of a contract will be forwarded by the Contracting Officer to the Inventions and Contributions Board. The Board will consider these petitions and will recommend to the Administrator that waiver be either granted or denied, or inform the Contracting Officer that there is insufficient time or insufficient information in the petition to permit a decision to be made without unduly delaying the execution of the contract. In the latter event, the petitioner will be so notified and within 30 days following execution of the contract, may request the Board to reconsider the petition on the record or with any additional information he may care to furnish. If waiver is granted, the conditions, reservations and obligations thereof will be included in the Instrument of Waiver.

(i) When NASA requests another Government agency to perform work, of a type defined in § 18–9.101–2, on behalf of NASA and it is contemplated that a contract will be awarded, instructions for transmittal of petitions for waiver shall be provided to the other agency in accordance with § 18–9.101–9(a)(5). The NASA Inventions and Contributions Board will consider any petitions and

recommend to the Administrator whether or not waiver should be granted. The Administrator's decision will be transmitted to the contractor and the contracting officer of the other agency.

2. Section 18–9.101–4 is revised to read as follows:

§ 18–9.101–4 New technology clause.

NEW TECHNOLOGY (NOVEMBER 1972)

(This clause comprises five sections: I—Definitions, II—Reporting and Subcontracts, III—Rights, IV—Waiver of Rights to Inventions, and V—Withholding; and the clause paragraphs are lettered consecutively throughout the sections.)

I—DEFINITIONS

(a) As used in this clause, the following terms shall have the meanings set forth below:

(i) "Reportable item" means any invention, discovery, improvement or innovation, whether or not the same is susceptible of protection under the United States patent laws, which is made in the performance of work under this contract or in the performance of any work done upon an understanding in writing that this contract would be awarded or made in the performance of any work which is reimbursable under any clause in this contract providing for reimbursement of costs incurred prior to the effective date of this contract;

(ii) "Made" means conceived or first actually reduced to practice, and "making" means conceiving or first actually reducing to practice;

(iii) "Invention" means any reportable item which, in the opinion of the Administrator, is a new and useful process, machine, manufacture, design, composition of matter, any new and useful improvement thereof, or any variety of new plant, which is or may be patentable under the laws of the United States (35 U.S.C. Section 101, Section 161 and Section 171) or any foreign country.

(iv) When this clause is included in any subcontract, "contractor" means subcontractor and "contract" means subcontract; and

(v) "Administrator" means the Administrator of NASA or his duly authorized representative.

II—REPORTING AND SUBCONTRACTS

(b) The Contractor shall furnish to the Contracting Officer a written report concerning each reportable item promptly upon the making thereof. Such report shall include such technical detail as is necessary to identify and to describe fully the nature, purpose, operation and physical (electrical, chemical, etc.) characteristics of the reportable item.

(c) In addition to the reports required in paragraph (b) above, the Contractor shall conduct frequent periodic reviews of the work performed by the Contractor to assure that all reportable items have been reported to the Contracting Officer. Within one month following each annual anniversary date of this contract, until completion of the contract work, and within one month following completion of the contract work, the Contractor shall furnish to the Contracting Officer a written summary of the review activities performed, including a report as required by paragraph (b) above for each reportable item not previously reported, or certifying that there are no reportable items.

(d) (1) The Contractor shall include Sections I through IV (paragraphs (a) through (k)) of this clause in each subcontract he awards under this contract where the performance of research, experimental, design, engineering, or developmental work is contemplated and shall set forth in each subcontract the identification of the prime contract and the identification and mailing address of the Contracting Officer.

(2) The Contractor shall forward to the Contracting Officer, for his submission to the Board, any petitions for the advance waiver of invention rights submitted by an organization selected for the negotiation of a subcontract.

(3) In the event of refusal by a subcontractor to accept any of the provisions of this clause other than paragraph (1), the Contractor shall promptly notify the Contracting Officer of such refusal and shall not execute the subcontract in question until provisions have been approved in writing by the Contracting Officer for inclusion in said subcontract.

(4) The Contractor shall furnish promptly to the Contracting Officer a statement listing each subcontract he awards under this contract of over fifty thousand dollars ($50,000) of the type described in paragraph (d) (1) above, stating the name and address of the subcontractor, describing the work to be performed, stating the estimated cost, and giving the estimated completion date of the subcontract. Within one month following each annual anniversary date of this contract, until completion of the contract work, and within one month following completion of the contract work, the Contractor shall furnish to the Contracting Officer a written report listing each such subcontract not previously reported or certifying that no such subcontracts were awarded during the reporting period.

(e) With respect to each subcontract awarded by the Contractor of over fifty thousand dollars ($50,000) of the type described in paragraph (d) (1) above, the Contractor shall, within one month following completion of the work under such subcontract:

(i) Obtain from an official having authority to execute such subcontract on behalf of the subcontractor a letter certifying compliance by the subcontractor with the paragraphs of this "New Technology" clause included in such contracts; and

(ii) Submit a copy of such letter directly to the Contracting Officer upon receipt from the subcontractor.

III—RIGHTS

(f) (1) An invention reported under this clause shall be presumed to have been made in the manner specified in paragraph (1) or (2) of Section 305(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(a) (1958) (hereinafter called "the Act").

(2) The presumption of paragraph (f) (1) above shall be conclusive unless the Contractor at the time of reporting the invention submits to the Contracting Officer a written statement, containing supporting details, demonstrating that the invention was not made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act.

(g) Regardless of whether title to a given invention would otherwise be subject to a waiver or is the subject of a petition for waiver, the Contractor may nevertheless file the statement described in paragraph (f) (2) above. The Administrator will review the information furnished by the Contractor in any such statement and any other available information relating to the circumstances surrounding the making of the invention and will notify the Contractor whether the Administrator has determined that the invention was made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act.

(h) With respect to each invention which becomes the exclusive property of the United States, the Contractor shall:

(1) Inform the Contracting Officer at the earliest practicable date of any public use or sale by the Contractor of the invention or any publication by the Contractor describing the invention; and

(2) Furnish, upon written request by the Contracting Officer, such full and complete technical and other information available to the Contractor as is necessary for the preparation of a patent application and for prosecution of such patent application, and in addition, shall execute or endeavor to secure execution of all lawful documents and instruments determined by the Administrator to be necessary for the preparation and prosecution of applications for Letters Patent covering the invention.

(i) Regardless of any other disposition of rights in the invention, in the case of each reported invention which is determined to have been made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act, the Contractor is granted a royalty-free license to practice the invention pursuant to, and of the scope defined in, 14 C.F.R. 1245.204(a). This license may be revoked under the conditions set forth in 14 C.F.R. 1245.211(b) (c).

(j) (1) The Government may duplicate, use and disclose in any manner and for any purpose whatsoever, and have others do so, all reports furnished pursuant to paragraphs (b), (c), and (h) (2) of this clause.

(2) Nothing contained in this "New Technology" clause shall be deemed to grant any license under any invention as to which rights of the Government are not expressly obtained pursuant to the Act, as implemented by this clause.

IV—WAIVER OF RIGHTS TO INVENTIONS

(k) (1) Section 305(f) of the Act provides for the promulgation of regulations for the waiver by the Administrator of the rights of the United States with respect to any invention or class of inventions made or which may be made under the conditions specified in the Act. The promulgated NASA Patent Waiver Regulations, 14 C.F.R. Section 1245, Subpart 1 (37 F.R. 17547–17551, August 30, 1972), provides for the consideration of petitions for waivers in several different situations. Under Section 1245.104 of the regulations, advance waiver of rights to any or all of the inventions which may be made under a contract may be requested prior to the execution of the contract, or within 30 days after execution of the contract. Waiver of rights to an identified invention made and reported under a contract may be requested under Section 1245.105. Waiver of rights may be requested under any of these provisions even though a request under a different provision was not made, or if made, was not granted. Waiver of foreign rights under Section 1245.106 may be requested concurrently with domestic rights or independently thereof.

(2) The requirements for a petition for waiver of invention rights are specified in 14 C.F.R. Section 1245.110. Petitions for advance waiver of domestic rights presented prior to contract execution should be submitted through the Contracting Officer to the Inventions and Contributions Board, National Aeronautics and Space Administration, Washington, D.C. 20546. All other petitions should be submitted directly to this Board.

(3) If a petition for the waiver of rights is granted pursuant to 14 C.F.R. Section 1245, Subpart 1, the requirements for the filing of patent applications, the reservations of the Government's rights in the invention, as well as other terms and conditions will be in-

cluded in an Instrument of Waiver executed by the Administrator and the party receiving the waiver.

V—WITHHOLDING

(1) (1) Except as provided in subparagraphs (3) and (4) below, if the Contractor fails to comply with the provisions of this clause after receipt of a written decision of the Contracting Officer, pointing out wherein the Contractor has failed to comply and setting a time limit for compliance, there shall be withheld from payment, unless such failure has been corrected within the time limit set, either five percent (5%) of the amount of this contract as from time to time amended, or fifty thousand dollars ($50,000), whichever is less.

(2) Without regard to whether a written decision as described in subparagraph (1) above has been issued, after payment of eighty-five percent (85%) of the amount of this contract, as from time to time amended, payment shall be withheld until a reserve of either five percent (5%) of such amount, or fifty thousand dollars ($50,000), whichever is less, shall have been set aside, such reserve or balance to be retained until the Contractor shall have complied with the provisions of this clause, as well as with such written decision or decisions as may have been issued pursuant to subparagraph (1) above and not withdrawn or successfully challenged on appeal pursuant to the "Disputes" clause.

(3) The maximum amount which may be withheld under this paragraph (1) shall not exceed five percent (5%) of the amount of this contract or fifty thousand dollars ($50,000), whichever is less. If this contract is a no-fee contract with a Contractor other than an educational institution, the amount which may be withheld shall not exceed one percent (1%) of the amount of the contract or fifty thousand dollars ($50,000), whichever is less. No amount shall be withheld pursuant to this Section V so long as an equivalent amount is being withheld under other provisions of this contract.

(4) The withholding provisions of subparagraphs (1) through (3) of this paragraph (1) do not apply to the provisions of paragraph (e) of this clause, or to no-fee contracts with an educational institution. The withholding of any amount or subsequent payment thereof to the Contractor shall not be construed as a waiver of any rights accruing to the Government under this contract.

3. Section 18–9.101–5 is revised to read as follows:

§ 18–9.101–5 Property rights in inventions clause.

(a) The clause set forth below shall be used in contracts for basic or applied scientific research at nonprofit institutions of higher education or at nonprofit institutions whose primary purpose is the conduct of research. See § 18–1.236 for the definition of "nonprofit organization."

PROPERTY RIGHTS IN INVENTIONS (NOVEMBER 1972)

(a) This contract and all subcontracts issued thereunder are subject to Section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457) relating to property rights in inventions. The term "invention" includes any invention, discovery, improvement, or innovation. Any invention made in the performance of work under this contract or any subcontract issued thereunder shall be presumed to have been made under the conditions of and subject to Section 305(a) of the Act and becomes the exclusive property of the United States subject, however, to the retention by the Contractor or subcontractor of a royalty-free license to practice the invention pursuant to, and of the scope defined in, 14 C.F.R. 1245.204(a). This license may be revoked under the conditions set forth in 14 C.F.R. 1245.211(b), and (c). The Contractor or applicable subcontractor may petition for waiver of title to the invention in accordance with the NASA Patent Waiver Regulation, 14 C.F.R. 1245, Subpart 1.

(b) The Contractor shall furnish to NASA a written report containing full and complete technical information concerning any invention made in the performance of any work under this contract promptly upon the making of such invention and shall require all subcontractors to do so. Upon written request by NASA, the Contractor shall furnish additional information available to him, and shall secure the execution of such documents as may be necessary to enable the Administrator, NASA, to file and prosecute patent applications on any such invention. Upon completion of the work under this contract, the Contractor shall furnish to NASA a report as to whether or not any inventions of the type referred to herein have been made in the performance of such work.

4. Section 18–9.101–9 is revised to read as follows:

§ 18–9.101–9 Procurement through another government agency.

(a) Except in the situation wherein special patent agreements exist between NASA and another Government agency, such as in the case of AEC, whenever NASA requests another Government agency to perform work of a type defined in § 18–9.101–2 on behalf of NASA (see § 18–5.1002–1(d), Block 10) the agency shall be furnished the following information if it is contemplated that a contract will be awarded for such work:

(1) Names and addresses of NASA New Technology Representative and Patent Representive;

(2) Instructions pursuant to § 18–9.101–2 to include either the "New Technology" clause set forth in § 18–9.101–4 or the "Property Rights in Inventions" clause set forth in § 18–9.101–5, whichever is appropriate, in any contract which it awards for the performance of research, experimental, design, engineering or developmental work for the purpose of fulfilling the NASA request;

(3) Instructions to furnish the NASA New Technology Representative with the name and address of the office or unit within the agency having technical cognizance of the work to be performed under any contract of the type referred to in subparagraph (2) of this paragraph (a);

(4) Request to supply a copy of any contract, of the type referred to in subparagraph (2) of this paragraph (a), to the NASA New Technology Representative;

(5) Instructions for contractors to forward promptly, through the agency contracting officer, requests and petitions for waiver to the Chairman, Inventions and Contributions Board, National Aeronautics and Space Administration, Washington, D.C., 20546; and

(6) Instructions to forward promptly to the NASA New Technology Representative all reports of reportable items and inventions made during the performance of work under such contracts and a copy of the contractor's final report for each contract as required by the "New Technology" or "Property Rights in Inventions" clause, whichever is included in the contract.

PART 18–10—BONDS AND INSURANCE

1. Section 18–10–103–6 has been added.

§ 18–10.103–6 Construction subcontracts.

NASA prime contractors who in the course of their contract performance, will acquire by subcontract construction work determined by NASA to be public work subject to the Miller Act, but who are not required under § 18–10.103 to furnish Miller Act bonds, shall be required to obtain such performance and payment bonds from their construction subcontractors. The bonds shall be provided on Standard Forms 25 and 25A (modified to name the NASA prime contractor as well as the United States of America as obligees), or on other forms acceptable to the NASA General Counsel. The penal amount of such bonds shall be established by the contracting officer in accordance with the provisions of § 18–10.103.

§ 18–10–104–1 [Amended]

2. In § 18–10–104–1, paragraphs (a), (b), and (c) are revised to read as follows:

§ 18–10.104–1 General.

(a) Generally, performance and payment bonds shall not be required in connection with contracts other than construction contracts, except as provided in §§ 18–10.104–2,. 18–10.104–3 and 18–10.103–6.

(b) Standard Form 25 (Performance Bond), Standard Form 35 (Annual Performance Bond), and the NASA version of DD Form 1673 (Payment Bond for Other Than Constructon Contracts) are authorized for use for other than construction contracts. Payment bonds for other than construction contracts shall not be executed on Standard Form 25–A.

(c) With respect to performance and payment bonds required for construcion subcontracts under prime contracts other than for construction, see § 18–10.103–6.

* * * * *

PART 18–12—LABOR

§ 18–12.104 [Deleted]

1. Section 18–12.104 is deleted.

2. Section 18–12.403 has been revised in its entirety as follows:

§ 18–12.403 Contract clauses.

§ 18–12.403–1 Clauses for general use.

Except as provided in § 18–12.403–4, every construction contract in excess of $2,000 (or in excess of $10,000 in the case of paragraph (c) of the clause entitled "Apprentices and Trainees") for work within the United States shall include the following clauses:

(a) *Davis-Bacon Act (40 U.S.C. 276a—a-7).*

DAVIS-BACON ACT (40 U.S.C. 276a—a-7) (MAY 1972)

(a) All mechanics and laborers, including apprentices and trainees, employed or working directly upon the site of the work shall be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the Copeland Regulations (29 CFR Part 3)), the full amounts due at time of payment computed at wage rates not less than the aggregate of the basic hourly rates and the rates of payments, contributions, or costs for any fringe benefits contained in the wage determination decision of the Secretary of Labor which it attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor or subcontractor and such laborers and mechanics. A copy of such wage determination decision shall be kept posted by the Contractor at the site of the work in a prominent place where it can be easily seen by the workers.

(b) The Contractor may discharge his obligation under this clause to workers in any classification for which the wage determination decision contains:

(1) Only a basic hourly rate of pay, by making payment at not less than such basic hourly rate, except as otherwise provided in the Copeland Regulations (29 CFR Part 3); or

(2) Both a basic hourly rate of pay and fringe benefits payments, by making payment in cash, by irrevocably making contributions pursuant to a fund, plan, or program for, and/or by assuming an enforceable commitment to bear the cost of, bona fide fringe benefits contemplated by the Davis-Bacon Act, or by any combination thereof. Contributions made, or costs assumed, of other than a weekly basis shall be considered as having been constructively made or assumed during a weekly period to the extent that they apply to such period. Where a fringe benefit is expressed in a wage determination in any manner other than as an hourly rate and the Contractor pays a cash equivalent or provides an alternative fringe benefit, he shall furnish information with his payrolls showing how he determined that the cost incurred to make the cash payment or to provide the alternative fringe benefit is equal to the cost of the wage determination fringe benefit. In any case where the Contractor provides a fringe benefit different from any contained in the wage determination, he shall similarly show how he arrived at the hourly rate shown therefor. In the event of disagreement between or among the interested parties as to an equivalent of any fringe benefit, the Contracting Officer shall submit the question, together with his recommendation, to the Secretary of Labor for final determination.

(c) The assumption of an enforceable commitment to bear the cost of fringe benefits, or the provision of any fringe benefits not expressly listed in Section 1(b)(2) of the Davis-Bacon Act or in the wage determination decision forming a part of the contract, may be considered as payment of wages only with the approval of the Secretary of Labor pursuant to a written request by the Contractor. The Secretary of Labor may require the Contractor to set aside assets, in a separate account, to meet his obligations under any unfunded plan or program.

(d) The Contracting Officer shall require that any class of laborers or mechanics, including apprentices and trainees, which is not listed in the wage determination decision and which is to be employed under the contract shall be classified or reclassified conformably to the wage determination decision, and shall report the action taken to the Secretary of Labor. If the interested parties cannot agree on the proper classification or reclassification of a particular class of laborers or mechanics to be used, the Contracting Officer shall submit the question, together with his recommendation, to the Secretary of Labor for final determination. Apprentices and trainees may be added under this clause only where they are employed pursuant to an apprenticeship or trainee program meeting the requirements of the Apprentices and Trainees clause below.

(e) In the event it is found by the Contracting Officer that any laborer or mechanic, including apprentices and trainees, employed by the Contractor or any subcontractor directly on the site of the work covered by this contract has been or is being paid at a rate of wages less than the rate of wages required by paragraph (a) of this clause, the Contracting Officer may (1) by written notice to the Government Prime Contractor terminate his right to proceed with the work, or such part of the work as to which there has been a failure to pay said required wages, and (2) prosecute the work to completion by contract or otherwise, whereupon such Contractor and his sureties shall be liable to the Government for any excess costs occasioned the Government thereby.

(f) Paragraphs (a) through (e) of the clause shall apply to this contract to the extent that it is (1) a prime contract with the Government subject to the Davis-Bacon Act, or (2) a subcontract also subject to the Davis-Bacon Act under such prime contract.

(b) *Contract Work Hours and Safety Standards Act—Overtime Compensation (40 U.S.C. 327–333).*

CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION (40 U.S.C. 327–333) (MAY 1972)

This contract is subject to the Contract Work Hours and Safety Standards Act and to the applicable rules, regulations, and interpretations of the Secretary of Labor.

(a) The Contractor shall not require or permit any laborer or mechanic, including apprentices, trainees, watchmen, and guards, in any workweek in which he is employed on any work under this contract to work in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer or mechanic, including apprentices, trainees, watchmen, and guards, receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek, whichever is the greater number of overtime hours. The "basic rate of pay," as used in this clause, shall be the amount paid per hour, exclusive of the Contractor's contribution or cost for fringe benefits, and any cash payment made in lieu of providing fringe benefits, or the basic hourly rate contained in the wage determination, whichever is greater.

(b) In the event of any violation of the provisions of paragraph (a), the Contractor shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including an apprentice, trainee, watchman, or guard, employed in violation of the provisions of paragraph (a) in the sum of $10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of 8 hours or in excess of the standard workweek of 40 hours without payment of the overtime wages required by paragraph (a).

(c) *Apprentices and Trainees.*

APPRENTICES AND TRAINEES (MAY 1972)

(a) Apprentices shall be permitted to work as such only when they are registered, individually, under a bona fide apprenticeship program registered with a State apprenticeship agency which is recognized by the Bureau of Apprenticeship and Training, U.S. Department of Labor; or if no such recognized agency exists in a State, under a program registered with the aforesaid Bureau of Apprenticeship and Training. The allowable ratio of apprentices to journeymen in any craft classification shall not be greater than the ratio permitted to the Contractor as to his entire work force under the registered program. Any employee listed on a payroll at an apprentice wage rate who is not a trainee as defined in paragraph (b) of this clause, and who is not registered as above, shall be paid the wage rate determined by the Secretary of Labor for the classification of work he actually performed. The Contractor shall furnish to the Contracting Officer written evidence of the registration of his program and apprentices, as well as of the appropriate ratios allowed and the wage rates required to be paid thereunder for the area of construction, prior to using any apprentices in the contract work. The term "apprentice" means (1) a person employed and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Bureau of Apprenticeship and Training, or with a State apprenticeship agency recognized by the Bureau or (2) a person in his first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training, or a State Apprenticeship Council (where appropriate) to be eligible for probationary employment as an apprentice.

(b) Trainees shall be permitted to work as such when they are bona fide trainees employed pursuant to a program approved by the U.S. Department of Labor, Manpower Administration, Bureau of Apprenticeship and Training. The term "trainee" means a person receiving on-the-job training in a construction occupation under a program which is approved (but not necessarily sponsored) by the U.S. Department of Labor, Manpower Administration, Bureau of Apprenticeship and Training, and which is reviewed from time to time by the Manpower Administration to insure that the training meets adequate standards.

(c) In connection with contracts in excess of $10,000, the Contractor agrees as follows:

(1) The Contractor shall make a diligent effort to hire for performance of work under this contract a number of apprentices or trainees, or both, in each occupation, which bears to the average number of the journeymen in the occupation to be employed in the performance of the contract the applicable ratio as set forth in paragraph (c)(7) of this clause.

(2) The Contractor shall insure that 25 percent of such apprentices or trainees in each occupation are in their first year of training, where feasible. Feasibility here involves a consideration of (i) the availability of training opportunities for first year apprentices, (ii) the hazardous nature of the work for beginning workers, and (iii) excessive unemployment of apprentices in their second and subsequent years of training.

(3) The Contractor shall, during the performance of the contract, to the greatest extent possible, employ the number of apprentices or trainees necessary to meet currently the requirements of paragraphs (c) (1) and (c) (2) of this clause.

(4) The Contractor shall maintain records of employment on this contract by trade of the number of apprentices and trainees, apprentices and trainees in first year of training, and of journeymen, and the wages paid and hours of work of such apprentices, trainees, and journeymen. In addition, the Contractor who claims compliance based on the criterion set forth in paragraph (c) (6) (ii) of this clause shall maintain such records of employment on all his construction work in the same labor market area, both public and private during the performance of this contract. In each of the above cases the Contractor shall make such records available for inspection upon request of the Department of Labor or the Contracting Officer.

(5) The Contractor shall supply one copy of each of the written notices required in accordance with paragraph (c) (6) (iii) of this clause at the request of the Contracting Officer. The Contractor also agrees to supply at 3-month intervals during the performance of the contract and after completion of contract performance a statement describing steps taken toward making a diligent effort and containing a breakdown by craft, of hours worked and wages paid for first year apprentices and trainees, other apprentices and trainees, and journeymen. One copy of the statement will be sent to the Contracting Officer and one copy to the Secretary of Labor.

(6) The Contractor will be deemed to have made a "diligent effort" as required by paragraph (c) (1) if during the performance of this contract, he accomplishes at least one of the following three objectives: (i) The Contractor employs under this contract a number of apprentices and trainees by craft, at least equal to the ratios established in accordance with paragraph (c) (7) of this clause, or (ii) the Contractor employs, on all his construction work, both public and private, in the same labor market area, an average number of apprentices and trainees by craft at least equal to the ratios established in accordance with paragraph (c) (7) of this clause, or (iii) the Contractor (A) if covered by a collective bargaining agreement, before commencement of any work on the project, has given written notice to all joint apprenticeship committees, the local U.S. Employment Security Office, local chapter of the Urban League, Workers Defense League, or other local organizations concerned with minority employment, and the Bureau of Apprenticeship and Training Representative, U.S. Department of Labor, for the locality of the work; (B) if not covered by a collective bargaining agreement, has given notice to all of the groups stated above, except joint apprenticeship committees, and will in addition notify all non-joint apprenticeship sponsors in the labor market area; (C) has employed all qualified applicants referred to him through normal channels (such as the Employment Service, the Joint Apprenticeship Committees, and where applicable, minority organizations and apprentice outreach programs who have been delegated this function) at least up to the number of such apprentices and trainees required by paragraph (c) (7) of this clause; (D) notice, as referred to herein, will include at least the Contractor's name and address, the agency designation, the contract number, job site address, value of the contract, expected starting and completion dates, the estimated average number of employees in each occupation to be employed over the duration of the contract work, and a statement of his willingness to employ a number of apprentices and trainees at least equal to the ratios established in accordance with paragraph (c) (7) of this clause.

(7) The Contractor recognizes the Secretary of Labor has determined that the applicable ratios of apprentices and trainees to journeymen in any occupation for the purpose of this clause shall be as follows: (1) In any occupation the applicable ratio of apprentices and trainees to journeymen shall be equal to the predominant ratio for the occupation in the area where the construction is being undertaken, set forth in collective bargaining agreements, or other employment agreements, and available through the Bureau of Apprenticeship and Training Representative, U.S .Department of Labor, for the applicable area; (2) for any occupation for which no ratio is found, the ratio of apprentices and trainees to journeymen shall be determined by the Contractor in accordance with the recommendations set forth in the Standards of the National Joint Apprentice Committee for the occupation, which are on file at offices of the U.S. Department of Labor's Bureau of Apprenticeship and Training; and (3) for any occupation for which no such recommendations are found, the ratio of apprentices and trainees to journeymen shall be at least one apprentice or trainee for every five journeymen.

(d) *Payrolls and Basic Records*

PAYROLLS AND BASIC RECORDS (MAY 1972)

(a) The Contractor shall maintain payrolls and basic records relating thereto during the course of the work and shall preserve them for a period of 3 years thereafter for all laborers and mechanics, including apprentices, trainees, watchmen, and guards, working at the site of the work. Such records shall contain the name and address of each such employee, his correct classification, rate of pay (including rates of contributions for, or costs assumed to provide, fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Contractor has obtained approval from the Secretary of Labor as provided in paragraph (c) of the clause entitled "Davis-Bacon Act," he shall maintain records which show the commitment, its approval, written communication of the plan or program to the laborers or mechanics affected and the costs anticipated or incurred under the plan or program.

(b) The Contractor shall submit weekly a copy of all payrolls to the Contracting Officer. The Government Prime Contractor shall be responsible for the submission of copies of payrolls of all subcontractors. The copy shall be accompanied by a statement signed by the Contractor indicating that the payrolls are correct and complete, that the wage rates contained therein are not less than those determined by the Secretary of Labor, and that the classification set forth for each laborer or mechanic, including apprentices and trainees, conform with the work he performed. Submission of the "Weekly Statement of Compliance" required under this contract and the Copeland Regulations of the Secretary of Labor (29 CFR Part 3) shall satisfy the requirement for submission of the above statement. The Contractor shall submit also a copy of any approval by the Secretary of Labor with respect to fringe benefits which is required by paragraph (c) of the clause "Davis-Bacon Act."

(c) The Contractor shall make the records required under this clause available for inspection by authorized representatives of the Contracting Officer and the Department of Labor, and shall permit such representatives to interview employees during working hours on the job.

(e) *Compliance with Copeland Regulations.*

COMPLIANCE WITH COPELAND REGULATIONS (NOVEMBER 1964)

The Contractor shall comply with the Copeland Regulations of the Secretary of Labor (29 CFR Part 3) which are incorporated herein by reference.

(f) *Withholding of Funds.*

WITHHOLDING OF FUNDS (MAY 1972)

(a) The Contracting Officer may withhold or cause to be withheld from the Government Prime Contractor so much of the accrued payments or advances as may be considered necessary (1) to pay laborers and mechanics, including apprentices, trainees, watchmen, and guards, employed by the Contractor or any subcontractor on the work the full amount of wages required by the contract, and (2) to satisfy any liability of any Contractor for liquidated damages under paragraph (b) of the clause entitled "Contract Work Hours and Safety Standards Act—Overtime Compensation."

(b) If any Contractor fails to pay any laborer, mechanic, apprentice, trainee, watchman, or guard, employed or working on the site of the work, all or part of the wages required by the contract, the Contracting Officer may, after written notice to the Government Prime Contractor, take such action as may be necessary to cause suspension of any further payments or advances until such violations have ceased.

(g) *Subcontracts.*

SUBCONTRACTS (MAY 1973)

The Contractor agrees to insert the clauses hereof entitled "Davis-Bacon Act," "Contract Work Hours and Safety Standards Act—Overtime Compensation," "Apprentices and Trainees," "Payrolls and Basic Records," "Compliance with Copeland Regulations," "Withholding of Funds," "Subcontracts," and "Contract Termination—Debarment" in all subcontracts. The term "Contractor" as used in such clauses in any subcontract shall be deemed to refer to the subcontractor except in the phrase "Government Prime Contractor."

(h) *Contract Termination—Debarment.*

CONTRACT TERMINATION—DEBARMENT (MAY 1972)

A breach of the clauses hereof entitled "Davis-Bacon Act," "Contract Work Hours and Safety Standards Act—Overtime Compensation," "Apprentices and Trainees," "Payrolls and Basic Records," "Compliance with the Copeland Regulations," "Withholding of Funds," and "Subcontracts" may be grounds for termination of the contract, and for debarment as provided in 29 CFR 5.6.

§ 18–12.403–3 Overseas contracts.

Every construction contract in excess of $2,000 for work outside the United States but within the jurisdiction of the United States as stated in § 18–12.302–2 (c) shall include the following clauses:

(a) The Contract Work Hours and Safety Standards Act—Overtime Compensation clause set forth in § 18–12.403–1(b);

(b) *Subcontracts.*

SUBCONTRACTS (MAY 1972)

The Contractor agrees to insert this "Subcontracts" clause and the "Contract Work Hours and Safety Standards Act—Overtime Compensation" and "Contract Termina-

tion—Debarment" clauses of this contract in all subcontracts.

When Standard Form 19–A is used, the "Subcontracts" clause therein shall be used in lieu of the above clause.

(c) *Contract Termination—Debarment.*

CONTRACT TERMINATION—DEBARMENT (MAY 1972)

A breach of the "Contract Work Hours and Safety Standards Act—Overtime Compensation" and the "Subcontracts" clauses of this contract may be grounds for termination of the contract, and for debarment as provided in 29 CFR 5.6.

§ 18–12.403–4 Contracts with a State or political subdivision.

In the case of construction contracts with a State or political subdivision thereof, the contract clauses required by § 18–12.403–1 shall be inserted therein but shall be prefaced by the following provision:

The Contractor agrees to comply with the requirements of the Contract Work Hours and Safety Standards Act and to insert the following clauses in all subcontracts hereunder with private persons or firms. (May 1972)

§ 18–12.804 [Amended]

3. In § 18–12.804, paragraphs (a) and (b) are revised to read as follows:

§ 18–12.804 Equal opportunity clauses.

(a) *Government contracts.* The following clause shall be included in all contracts (and modifications thereof if the clause was not included in the original contract), unless exempted in accordance with § 18–12.805.

EQUAL OPPORTUNITY (JUNE 1973)

During the performance of this contract, the Contractor agrees as follows: (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representatives of workers with which he has a collective bargaining agreement or other contract or understanding, a notice ot be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this nondiscrimination clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of Oct. 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of Paragraph (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided,* however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

(b) *Federally Assisted Construction Contracts.* The following clause shall be included as a condition of any grant, contract, loan, insurance or guarantee involving Federally assisted construction, unless exempted in accordance with § 18–12.805.

EQUAL OPPORTUNITY (FEDERALLY ASSISTED CONSTRUCTION) (APPLICANT) (JUNE 1973)

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the Regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following Equal Opportunity clause:

EQUAL OPPORTUNITY (FEDERALLY ASSISTED CONSTRUCTION)

During the performance of this contract, the Contractor agrees as follows: (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other froms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or Federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the portion of the sentence immediately preceding Paragraph (1) and the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided,* however, that in the event a Con-

tractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above Equal Opportunity clause with respect to its own employment practices when it participates in Federally assisted construction work: *Provided*, that if the applicant so participating is a State or local government, the above Equal Opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of Contractors and subcontractors with the Equal Opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, with a Contractor debarred from, or who has not demonstrated eligibility for Government contracts and Federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the Equal Opportunity clause as may be imposed upon Contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: cancel, terminate or suspend in whole or in part this grant (contract, loan insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

* * * * *

4. Section 18–12.807 is revised in its entirety as follows:

§ 18–12.807 Affirmative action programs.

§ 18–12.807–1 Contracts other than construction contracts.

Except as provided in § 18–12.805, each price contractor and each subcontractor with 50 or more employees and a contract or subcontract of $50,000 or more is required to develop a written affirmative action compliance program for each of his establishments within 120 days from the commencement of his first such Government contract or subcontract. An acceptable affirmative action program for contractor shall include:

(a) An analysis of areas in which the contractor is deficient in the utilization of minorities (groups and women (41 CFR 60–2.10));

(b) An analysis of all major job classifications at the facility, using the eight factors listed in 41 CFR 60–2.11(a)(1)(i) through (viii), and (a)(2)(i) through (viii), with explanations if minorities or women are currently being underutilized in any one or more job classifications;

(c) Support data for the analysis provided by paragraphs (a) and (b) of this section (41 CFR 60–2.12(i); and

(d) The ten program ingredients listed under 41 CFR 60–2.13(a) through (j), and goals and timetables (41 CFR 60–2.12(a)) correct the deficiencies and thus to increase materially the utilization of minorities and women at all levels and in all segments of the contractor's work force where deficiencies exist (41 CFR 60–2.10).

§ 18–12.807–2 Construction contracts.

An acceptable affirmative action program for construction contractors shall meet the requirements of plans directed for application to specified areas or projects. Such plans may require prospective contractors on projects in certain geographic areas to state, in their bids or proposals, percentage goals for minority employment which they will endeavor to meet during contract performance. Local plans which have been approved and issued will be listed in Procurement Regulation Directives. Such plans will be sent to the principally affected procurement offices. Any other procurement office contemplating a procurement involving construction in excess of $10,000 within geographic areas covered by an approved plan shall request instructions prior to issuance of a solicitation. Such requests shall be forwarded to the installation CEO office.

§ 18–12.808–2 [Amended]

5. The title of § 18–12.808–2 is changed to read as follows:

§ 18–12.808–2 Contracting officers' responsibility for clearance (excluding construction).

* * * * *

6. A new Subpart 18–12.11 has been added.

Subpart 18–12.11—Listing of Employment Openings

AUTHORITY: The provisions of this Subpart 18–12.11 issued under 42 U.S.C. 2473(b)(1).

§ 18–12.1100 Scope of subpart.

This subpart sets forth policies and procedures regarding manpower requirements which implement Executive Order 11598 (36 FR 11711, June 18, 1971) and regulations of the Secretary of Labor (41 CFR 50–250, September 14, 1971) concerning employment opportunities, with particular emphasis on assistance to veterans.

§ 18–12.1101 General.

NASA shall cooperate with and encourage contractors to utilize to the fullest extent practicable the United States Training and Employment Service (USTES) and its affiliated local State Employment Service Offices in meeting contractors' manpower (labor supply) requirements to staff new or expanding plant facilities, including the recruitment of workers in all occupations and skills both from local labor market areas and through the Federal-State manpower clearance system. Local State Employment Service Offices are operated in every State and in the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands. In addition to providing recruitment assistance to contractors who need and desire it, cooperation with the local State Employment Service Offices will further the national program of maintaining continuous assessment of manpower requirements and resources on a national and local basis.

§ 18–12.1102 Listing of employment openings.

§ 18–12.1102–1 Policy.

Government contractors and first tier subcontractors shall list all of their suitable employment openings to the maximum extent feasible with the appropriate local office of the State employment service system as required by Executive Order 11598 and the rules and regulations of the Secretary of Labor issued pursuant thereto.

§ 18–12.1102–2 Contract clause.

Unless otherwise provided in this subpart, contracting officers shall include the contract clause set forth below in (a) all invitations for bids and requests for proposals, and (b) in all contracts, including, contracts resulting from unsolicited proposals, where it is anticipated that a contract will be awarded for $10,000 or more, and will generate 400 or more man-days of employment. The clause shall not be included in contracts with State and local governments.

LISTING OF EMPLOYMENT OPENINGS (MARCH 1972)

(This clause is applicable pursuant to 41 CFR 50–250 if this contract is for $10,000 or more and will generate 400 or more man-days of employment.)

(a) The Contractor agrees that all employment openings of the Contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the Contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall, to the maximum extent feasible, be offered for listing at an appropriate local office of the State employment service system wherein the opening occurs and to provide such periodic reports to such local office regarding employment openings and hires as may be required.

(b) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve only the normal obligations which attach to the placing of a bona fide job order does not require the hiring of any job applicant referred by the employment service system.

(c) The periodic reports required by paragraph (a) of this clause, shall be filed at least quarterly with the appropirate local office or, where the Contractor has more

than one establishment in a State, with the central office of that State employment service. Such reports shall indicate for each establishment the number of individuals who were hired during the reporting period and the number of hires who were veterans who served in the Armed Forces on or after August 5, 1964, and who received other than a dishonorable discharge. The Contractor shall maintain copies of the reports submitted until the expiration of 1 year after final payment under the contract, during which time they shall be made available, upon request, for examination by any authorized representatives of the Contracting Office or of the Secretary of Labor.

(d) Whenever the Contractor becomes contractually bound to the listing provisions of this clause, he shall advise the employment service system in each State wherein he has establishments of the name and location of each establishment in the State. As long as the Contractor is contractually bound to these provisions and has so advised the State employment service system, there is no need to advise the State system of subsequent contracts. The Contractor may advise the State systems when it is no longer bound by this contract clause.

(e) This clause does not apply (1) to the listing of employment openings which occur outside of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, and (2) to contracts with State and local governments.

(f) This clause does not apply to openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(g) As used in this clause:

(1) "All employment openings" includes, but is not limited to, openings which occur in the following job categories: production and non-production; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings which are compensated on a salary basis of less than $18,000 per year. This term includes full-time employment, temporary employment of more than 3 days duration, and part-time employment.

(2) "Appropriate office of the State employment service system" means the local office of the Federal-State national system of public employment offices with assigned responsibility for serving the area of the establishment where the employment opening is to be filled, including the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) "Openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement," means employment openings for which no consideration will be given to persons outside the Contractor's organization (including any affiliates, subsidiaries, and parent companies) or outside of a special hiring arrangement which is part of the customary and traditional employment relationship which exists between the Contractor and representatives of his employees and includes any openings which the Contractor proposes to fill from regularly established "recall" or "rehire" lists or from union hiring halls.

(4) "Man-day of employment" means any day during which an employee performs more than 1 hour of work.

(h) The Contractor agrees to place this clause (excluding this paragraph (h)) in any subcontract directly under this contract.

§ 18–12.1102–3 Deviations.

Under the most compelling circumstances such as situations when the needs of the Government cannot reasonably be otherwise supplied or when it is determined that a deviation would be in the best interest of the Government, a deviation may be made, subject to approval by the Secretary of Labor under procedures in 41 CFR 50–250.5(c). Deviations shall be submitted in accordance with the provisions of § 18–1.109.

§ 18–12.1102–4 Exceptions to listing requirements.

Executive Order 11598 requires Government contractors and first-tier subcontractors to list all of their suitable employment openings to the maximum extent feasible. Feasibility, in this regard, shall be taken to mean that it is reasonably possible for the listings to be made. An example of an infeasible listing is one where the listing of an employment opening would be contrary to national security. Contractors with inquiries regarding situations where the listing of openings may be considered to be infeasible shall be advised that such questions should be submitted to the Manpower Administrator, U.S. Department of Labor, 14th Street and Constitution Avenue, NW., Washington, D.C. 20210.

§ 18–12.1102–5 Failure to comply.

Upon receipt of notice that a contractor has failed to comply with the provisions of the Listing of Employment Openings clause in § 18–12.1102–2, the contracting officer shall take such action as may be appropriate under the default provisions of the contracts concerned.

PART 18–13—GOVERNMENT PROPERTY

§ 18–13.402–51 [Amended]

1. In § 18–13.402–51, paragraph (a) is revised to read as follows:

* * * * *

(a) Facilities which are authorized for use by a prime contractor shall be identified by the facilities contract number. If use of the facilities is authorized on a no-charge basis, the contract shall contain the following clause:

USE OF GOVERNMENT FACILITIES ON A NO-CHARGE BASIS (SEPTEMBER 1972)

The Contractor is authorized to use on a no-charge, non-interference basis in the performance of this contract, the Government-owned facilities provided to him under the facilities contract identified below. Such use is authorized on the basis that it will not interfere with performance of the Government contract for which such facilities were provided and, unless otherwise stipulated, shall be in accordance with the terms and conditions thereof.

* * * * *

2. Section 18–13.402–53 is revised to read as follows:

§ 18–13.402–53 Facilities for subcontractors on a no-charge basis.

If it is desired to permit a contractor to let certain of his subcontractors have the benefit of the use of Government facilities in the possession of such subcontractors on a no-charge basis, whether or not the prime contractor is to have the use of facilities on a no-charge basis, the Use of Government Facilities by Subcontractors clause set forth below shall be included in the related procurement contract: *Provided*, That (a) the price or the fee of the prime contract is negotiated on the specific understanding that the use of the facilities on a no-charge basis will be permitted in the performance of the specified subcontract items by the specified subcontractors to be set forth in paragraph (a) of the Use of Government Facilities by Subcontractors clause and (b) the subcontractor is not placed in a favored competitive position.

USE OF GOVERNMENT FACILITIES BY SUBCONTRACTORS (SEPTEMBER 1972)

(a) The following subcontractors having Government-owned facilities provided under the Facilities contracts set forth below, in effect on the date of this contract, are authorized to use such facilities on a no-charge, non-interference basis for the subcontract items listed below, and the subcontract shall so provide:

Subcontractor	Facilities contract number	Subcontract item

(b) If the Contractor enters into other subcontracts with subcontratcors who have Government-owned facilities provided to them under Facilities contracts which provide that no-charge use may be authorized, the Contracting Officer may authorize the use of such facilities on a no-charge basis; *provided:*

(i) he determines that such use will not give the subcontractor a favored competitive position; and

(ii) this contract is amended to reflect adequate consideration to the Government for the use of such facilities on a no-charge, non-interference basis.

Such subcontracts shall specifically authorize the no-charge use, and require the written approval of the Contracting Officer. No modification to this contract will be required, as provided in (ii) above, if the Contracting Officer determines that an elimination of charge for use of such facilities will, of itself, result in an adequate decreased cost to the Government under this contract.

(c) If the Government-owned facilities provided to the Contractor or any subcontractor hereunder on a no-charge basis are increased or decreased or do not remain available during the performance of this contract, or if any change is made in the terms and conditions under which they are made available, such equitable adjustments as may be appropriate will be made in the terms of this contract, unless such increase or decrease was contemplated in the establishment of the price of this contract or a subcontract.

(d) The Contractor agrees that he will not directly or indirectly, through overhead charges or otherwise, include in the price of this contract, or seek reimbursement under this contract for, any rental charge paid by

the Contractor for the use on other contracts of the facilities referred to herein. Any subcontract hereunder which authorizes the subcontractor to use Government facilities on a no-charge basis shall contain a provision to the same effect as this paragraph (d).

§ 18–13.702 [Amended]

3. In § 18–13.702, paragraph (c) is revised to read as follows:

* * * * *

(c) *Liability for government property furnished for repair or other services.* The clause set forth below shall be included in contracts for repair (modification, rehabilitation) or other servicing of Government property, when such property is furnished to a contractor for that purpose. If a substantial quantity of parts or material will be furnished to the contractor, or a significant amount of scrap will result from the work to be performed, or if other Government property will be furnished to or acquired by the contractor, the contract will also contain the appropriate "Government-furnished Property" or "Government Property" clause and the Schedule of the contract shall provide that such property shall be governed by the terms of that clause. When minor repairs are obtained under small purchases procedures, the procedures of this paragraph will not apply. Contracting officers shall not require additional insurance under the clause unless the circumstances clearly indicate advantages to the Government.

LIABILITY FOR GOVERNMENT PROPERTY FURNISHED FOR REPAIR OR OTHER SERVICES (JUNE 1973)

(a) The provisions of this clause shall govern with respect to any Government property furnished to the Contractor for repair or other services, and which is to be returned to the Government. Such proeprty is hereinafter referred to as "Government property furnished for servicing" and shall not be subject to the provisions of any clause of this contract entitled "Government Furnished Property" or "Government Property."

(b) The official accountable record keeping, and financial control and reporting of the facilities subject to this clause shall be retained by the Government. The Contractor shall maintain adequate records and procedures to assure that the Government property furnished for repair or servicing may be readily accounted for and identified at all times while in his custody or possession or in the custody or possession of any subcontractor.

(c) The Contractor shall be liable for any loss or destruction of or damage to the Government property furnished for repair or servicing (i) caused by the Contractor's failure to exercise such care and diligence as a reasonable prudent owner of similar property would exercise under similar circumstances; or (ii) sustained while the property is being worked upon and directly resulting therefrom, including but not limited to, any repairing, adjusting, inspecting, servicing or maintenance operation. The Contractor shall not be liable for loss or destruction of or damage to Government property furnished for repair or servicing resulting from any other cause except to the extent that such loss, destruction, or damage is covered by insurance (including self-insurance funds or reserves).

(d) In addition to any insurance (including self-insurance funds or reserves) carried by the Contractor and in effect on the date of this contract affording protection in whole or in part against loss or destruction of or damage to such Government property furnished for repair or servicing, the amount and coverage of which the Contractor agrees to maintain, the Contractor agrees to obtain such additional insurance covering loss or destruction of or damage to Government property furnished to the Contractor for repair or servicing as may, from time to time, be required by the Contracting Officer. The requirements for such additional insurance shall be effected under the procedures established by the "Changes" clause of this contract.

(e) The Contractor shall hold the Government harmless and shall indemnify the Government against all claims for injury to persons or damage to property of the Contractor or others arising from the Contractor's possession or use of the Government property furnished for repair or servicing or arising from the presence of said property on the premises or property of the Contractor.

§ 18–13.710 [Amended]

4. The title of § 18–13.710 has been changed as follows:

§ 18–13.710 Government-Furnished Property Clause (Short Form).

* * * * *

5. Section 18–13.803 is revised to read as follows:

§ 18–13.803 Records of government property.

(a) Records of Government property established and maintained by the contractor pursuant to the terms of the contract shall be designated as the official contract property records except under the circumstances set forth in paragraph (b) of this section. Contractors shall not be required to submit duplicate official records to NASA installations, nor shall duplicate official records be maintained by NASA installations.

(b) Official property records shall be maintained by NASA installations (1) where property is provided to a local technical or base support contractor performing in a functional role to a NASA installation; and (2) where Government property is furnished to a contractor for repair or servicing and return to the shipping organization. In the case of subparagraph (1) of this paragraph, the "Government Property" clause shall be modified by the clause set forth in § 18–13.301(h). In the case of subparagraph (2) of this paragraph, the property records shall be maintained in accordance with the clause entitled "Liability for Government Property Furnsihed for Repair or Other Services", in § 18–13.702(c).

PART 18–15—CONTRACT COST PRINCIPLES AND PROCEDURES

1. Section 18–15.109 is added.

§ 18–15.109 Definitions.

As used in this Part 18–15 (except for Subpart 18–15.3), the words and phrases defined in this section shall have the meanings set forth below.

(a) *Profit center.* The smallest organizationally independent segment of a company which has been charged by management with profit and loss responsibilities.

(b) *Accumulating costs.* The collecting of cost data in an organized manner, such as through a system of accounts.

(c) *Actual costs.* Amounts determined on the basis of costs incurred, as distinguished from forecasted costs. Includes standard costs properly adjusted for applicable variances.

(d) *Allocate.* To assign an item of cost, or a group of items of cost, to one or more cost objectives. This term includes both direct assignment of cost and the reassignment of a share from an indirect cost pool.

(e) *Cost objective.* A function, organizational subdivision, contract, or other work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capitalized projects, etc.

(f) *Direct cost.* Any cost which is identified specifically with a particular final cost objecitve. Direct costs are not limited to items which are incorporated in the end product as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified specifically with other final cost objectives of the contractor are direct costs of those cost objectives.

(g) *Estimating costs.* The process of forecasting a future result in terms of cost, based upon information available at the time.

(h) *Final cost objective.* A cost objective which has allocated to it both direct and indirect costs, and, in the contractor's accumulation system, is one of the final accumulation points.

(i) *Indirect cost.* Any cost not directly identified with a single final cost objective, but identified with two or more final cost objectives or with at least one intermediate cost objective.

(j) *Indirect cost pools.* Groupings of incurred costs indentified with two or more cost objectives but not identified specifically with any final cost objective.

(k) *Pricing.* The process of establishing the amount or amounts to be paid in return for goods or services.

(l) *Proposal.* Any offer or other submission used as a basis for pricing a contract, contract modification, or termination settlement, or for securing payments thereunder.

(m) *Reporting costs.* Provision of cost information to others. The reporting of costs involves selecting relevant cost data and presenting it in an intelligible manner for use by the recipient.

2. Section 18–15.201–2 is revised to read as follows:

§ 18–15.201–2 Factors affecting allowability of costs.

Factors to be considered in determining the allowability of individual items of cost include (a) reasonableness, (b) allocability, (c) standards promulgated by the Cost Accounting Standards Board, if applicable, otherwise, generally accepted accounting principles and practices appropriate to the particular circumstances, and (d) any limitations or

exclusions set forth in this Subpart 18–15.2, or otherwise included in the contract as to types or amounts of cost items. When a contractor has disclosed his accounting practices in accordance with Cost Accounting Standards Board Rules, Regulations, and Standards and any such practices are inconsistent with any of the provisions of this Subpart 18–15.2, costs resulting from such inconsistent practices shall not be allowed in excess of the amount that would have resulted from the use of practices consistent with this Subpart 18–15.2.

§ 18–15.201–3 Definition of reasonableness.

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business. The question of the reasonableness of specific costs must be scrutinized with particular care in connection with firms or separate divisions thereof which may not be subject to effective competitive restraints. What is reasonable depends upon a variety of considerations and circumstances involving both the nature and amount of the cost in question. In determining the reasonableness of a given cost, consideration shall be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the conduct of the contractor's business or the performance of the contract;

(b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arm's-length bargaining, Federal and State laws and regulations, and contract terms and specifications;

(c) The action that a prudent businessman would take in the circumstances, considering his responsibilities to the owners of the business, his employees, his customers, the Government, and the public at large; and

(d) Significant deviations from the established practices of the contractor which may unjustifiably increase the contract costs.

3. Section 18–15.201–4 is revised to read as follows:

§ 18–15.201–4 Definition of allocability.

A cost is allocable if it is assignable or chargeable to one or more cost objectives (see § 18–15.109(e)) in accordance with the relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a Government contract if it—

(a) Is incurred specifically for the contract;

(b) Benefits both the contract and other work, or both Government work and other work, and can be distributed to them in reasonable proportion to the benefits received; or

(c) Is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown.

4. Section 18–15.202 is revised to read as follows:

§ 18–15.202 Direct costs.

(a) A direct cost is any cost which is identified specifically with a particular final cost objective. (See § 18–15.109(f).) No final cost objective shall have allocated to it as a direct cost any cost, if other costs incurred for the same purpose, in like circumstances, have been included in any indirect cost pool to be allocated to that or any other final cost objective. Costs identified specifically with the contract are direct costs of the contract and are to be charged directly thereto. Costs identified specifically with other final cost objectives of the contractor are direct costs of those cost objectives and are not to be charged to the contract directly or indirectly.

(b) Any direct cost of minor dollar amount may be treated as an indirect cost for reasons of practicality where the accounting treatment for such cost is consistently applied to all final cost objectives, provided that such treatment produces results which are substantially the same as the results which would have been obtained if such costs had been treated as a direct cost.

5. Section 18–15.203 is revised to read as follows.

§ 18–15.203 Indirect costs.

(a) An indirect cost (see § 18–15.109(i)) is one which, because of its incurrence for common or joint objectives, is not readily subject to treatment as a direct cost. Any direct cost of minor dollar amount may be treated as an indirect cost for reasons of practicality under the circumstances set forth in § 18–15.202(b). After direct costs have been determined and charged directly to the contract or other work as appropriate, indirect costs are those remaining to be allocated to the several cost objectives. No final cost objective shall have allocated to it as an indirect cost any cost, if other cost incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective.

(b) Indirect costs shall be accumulated by logical cost groupings with due consideration of the reasons for incurring the costs. Each grouping should be determined so as to permit distribution of the grouping on the basis of the benefits accruing to the several cost objectives. Commonly, manufacturing overhead, selling expenses, and general and administrative expenses are separately grouped. Similarly, the particular case may require subdivisions of these groupings, *e.g.*, building occupancy costs might be separable from those of personnel administration within the manufacturing overhead group. The number and composition of the groupings should be governed by practical considerations and should be such as not to complicate unduly the allocation where substantially the same results are achieved through less precise methods.

(c) Each cost grouping shall be distributed to the appropriate cost objectives. This necessitates the selection of a distriubtion base common to all cost objectives to which the grouping is to be as to permit allocation of the grouping allocated. The base should be selected so on the basis of the benefits accruing to the several cost objectives. This principle for selection is not to be applied so rigidly as to complicate unduly the allocation where substantially the same results are achieved through less precise methods. Once an appropriate base for the distribution of indirect costs has been accepted, such base shall not be fragmented by the removal of individual elements. Consequently, all items properly includable in an indirect cost base should bear a pro-rata share of indirect costs irrespective of their acceptance as Government contract costs. For example, when a cost of sales base is deemed appropriate for the distribution of G&A, all items chargeable to cost of sales, whether allowable or unallowable, shall be included in the base and bear their pro-rata share of G&A costs.

(d) The method of allocation of indirect costs must be based on the particular circumstances involved. The method shall be in accordance with Standards promulgated by the Cost Accounting Standards Board, if applicable to the contract. Otherwise, the method shall be in accordance with generally accepted accounting principles. When Cost Accounting Standards Board Standards are not applicable to the contract, the contractor's established practices, if in accordance with generally acceptable accounting principles, shall generally be acceptable. However, the method used by the contractor may require examination when—

(1) Any substantial difference occurs between the cost patterns of work under the contract and other work of the contractor:

(2) Any significant change occurs in in the nature of the business, the extent of subcontracting, fixed asset improvement programs, the inventories, the volume of sales and production, manufacturing processes, the contractor's products, or other relevant circumstances; or

(3) Indirect cost groupings developed for a contractor's primary location are applied to off-site locations. Separate cost groupings for costs allocable to off-site locations may be necessary to permit equitable distribution of costs on the basis of the benefits accruing to the several costs objectives.

(e) A base period for allocation of indirect costs is the period during which such costs are incurred and accumulated for distribution to work performed in that period. Normally, the base period will be the contractor's fiscal year; however, use of a shorter period may be appropriate in case of (1) contracts whose performance involves only a minor portion of the fiscal year, or (2) where it is general practice in the industry to use a shorter period. In any event, the base period or periods shall be so selected as to avoid inequities in the allocation of costs. When the contract is performed over an extended period of time, as many such base periods will be used as will

be required to represent the period of contract performance.

(f) Special care should be exercised in applying the principles in paragraphs (b), (c), and (d) of this section when Government-owned contractor operated plants are involved. The distribution of corporate, division or branch office general and administration expenses to such plants when they operate with little or no dependence on corporate administrative activities, may require more precise cost groupings, detailed accounts screening, and carefully developed distribution bases.

(g) Other considerations with respect to overhead are set forth in Subpart 18–3.7.

6. Section 18–15.205–3 is revised to read as follows:

§ 18–15.205–3 Bid and proposal costs.

(a) *Definitions.* (1) Bid and proposal (B&P) costs are the costs incurred in preparing, submitting, and supporting bids and proposals (whether or not solicited on potential Government or non-Government contracts which fall within the following:

(i) *"Administrative costs"* including the cost of the nontechnical effort for the physical preparation of the technical proposal documents and also the cost of the technical and nontechnical effort for the preparation and publication of the cost data and other administrative data necessary to support the contractor's bids and proposals, and

(ii) *"Technical costs"* incurred to specifically support a contractor's bid or proposal, including the costs of system and concept formulation studies and the development of engineering data.

(2) *Company* as used in this paragraph includes all divisions, subsidiaries, and affiliates of the contractor under common control.

(b) *Composition of costs.* B&P costs shall include not only all direct costs but also all allocable indirect costs except that general and administrative (G&A) costs shall not be considered allocable to B&P. Both direct and indirect costs shall be determined on the same basis as if each B&P project were under contract.

(c) *Allocation.* As a general rule, B&P costs shall be allocated to contracts on the same basis as the general and administrative expense grouping of the profit center in which such costs are incurred. However, where B&P costs clearly benefit other profit centers, or the entire company, such costs shall be allocated through the G&A of such other profit centers or through the corporate G&A, as appropriate. In those instances when allocation of B&P through the G&A base does not provide equitable cost allocation, the contracting officer may approve use of a different base. Where allowable B&P is established by advance agreement, the advance agreement shall specify the allocation procedure.

(d) *Allowability.* (1) B&P administrative costs, when not separately identified and classified as B&P costs in accordance with the contractor's normal accounting practice, are allowable in accordance with the general principles of this Subpart 18–15.2.

(2) All other B&P costs (including all technical costs and any administrative costs separately identified and classified as B&P costs in accordance with the contractor's normal accounting practice) are allowable as an indirect expense to the extent such costs are determined to be reasonable in amount. Reasonableness shall be determined in accordance with § 18–15.201–3, taking into account such considerations as the historical pattern of the contractor's expenditures in this area, including the level of Government participation therein, changes in the company business activities, and the extent to which the contractor's B&P program is well planned and managed. For major contractors, determinations of reasonableness usually take the form of advance agreements (see § 18–15.107) negotiated annually in cooperation with other Government agencies.

7. Section 18–15.205–35 is revised to read as follows:

§ 18–15.205–35 Independent research and development costs.

(a) *Definitions.* A contractor's independent research and development effort (IR&D) is that technical effort which is not sponsored by, or required in performance of, a contract or grant and which consists of projects falling within the following three areas: basic and applied research; development; and systems and other concept formulation studies. IR&D effort shall not include technical effort expended in the development and preparation of technical data specifically to support the submission of a bid or proposal. For the purpose of this section:

(1) *"Basic research"* is that research which is directed toward increase of knowledge in science. The primary aim of basic research is a fuller knowledge or understanding of the subject under study, rather than any practical application thereof.

(2) *"Applied research"* is that effort which (i) normally follows basic research, but may not be severable from the related basic research, (ii) attempts to determine and exploit the potential of scientific discoveries or improvements in technology, materials, processes, methods, devices, or techniques, and (iii) attempts to advance the state of the art. Applied research does not include efforts whose principal aim is design, development, or test of specific items or services to be considered for sale; these efforts are within the definition of the term "development," defined below.

(3) *"Development"* is the systematic use, under whatever name, of scientific and technical knowledge in the design, development, test or evaluation of a potential new product or service (or of an improvement in an existing product or service) for the purpose of meeting specific performance requirements or objectives. Development shall include the functions of design engineering, prototyping, and engineering testing.

(4) *"Systems and other concept formulation studies"* are analyses and study efforts either related to specific IR&D efforts or directed toward the identification of desirable new systems, equipments, or components, or desirable modifications and improvements to existing systems, equipment, or components.

(5) *"Company"* includes all divisions, subsidiaries, and affiliates of the contractor under common control.

(b) *Composition of costs.* IR&D costs shall include not only all direct costs, but also allocable indirect costs except that general and administrative costs shall not be considered allocable to IR&D. Both direct and indirect costs shall be determined on the same basis as if the IR&D project were under contract.

(c) *Allocation.* As a general rule, IR&D costs shall be allocated to contracts on the same basis as the general and administrative expense grouping of the profit center in which such costs are incurred. However, where IR&D costs clearly benefit other profit centers, or the entire company, such costs shall be allocated through the G&A of such other profit centers or through the corporate G&A, as appropriate. In those instances when allocation of IR&D through G&A base does not provide equitable cost allocation, the contracting officer may approve use of a different base. Where allocable IR&D is established by advance agreement, the advance agreement shall specify the allocation procedures.

(d) *Allowability.* The costs of IR&D are allowable as an indirect expense to the extent such costs are determined to be reasonable in amount. Reasonableness shall be determined in accordance with § 18–15.201–3, taking into account such considerations as the technical content and quality of the contractor's IR&D program, the historical pattern of the contractor's expenditures in this area, including the level of Government participation therein, and changes in the company's business activities. For major contractors, determinations of reasonableness usually take form of advance agreements (see § 18–15.107) negotiated annually in cooperation with other Government agencies.

§ 18–15.205–48 [Amended]

8. In § 18–15.205–48, paragraph (b) is revised to read as follows:

* * * * *

(b) (1) If the contractor leased ADPE but cannot demonstrate, on the basis of the facts existent at the time of the decision to lease or to continue leasing and documented in accordance with paragraph (d) of this section, that leasing will result in less cost to the Government over the anticipated useful life (as those terms are explained in paragraph (c) of this section), then rental costs are allowable only up to the amount that the contractor would be allowed had he purchased the ADPE.

(2) Furthermore, the costs of leasing ADPE are allowable only to the extent that the contractor can annually demonstrate in accordance with paragraph (d) of this section that such costs meet the

criteria set forth in subparagraphs (i) through (iii) of this paragraph (b)(2). The aforementioned requirement for an annual demonstration is applicable irrespective of whether the term of the lease was renewed or otherwise extended by the contractor.

(i) The costs are reasonable and necessary for the conduct of the contractor's business in light of such factors as the contractor's requirements for ADPE, costs of comparable facilities, the various types of leases available and the provisions of the rental agreement;

(ii) The costs do not give rise to a material equity in the facilities (such as an option to renew or purchase at a bargain rental or price) other than that normally given to industry at large but represent charges only for the current use of the equipment including but not limited to any incidental service costs such as maintenance, insurance, and applicable taxes; and

(iii) If the total cost of leasing the ADPE is to be reimbursed under one or more cost-reimbursement type contracts, or if the total cost of leasing ADPE in a single plant, division or cost center exceeds $500,000 per year and 50 percent or more of the total leasing cost is to be allocated to cost reimbursement type contracts, the approval of the contracting officer was obtained for the leasing arrangement (see §§ 18–15.107 and 18–3.1101–2(b)).

(3) Rental costs under a sale and leaseback arrangement shall be allowable only up to the amount the contractor would be allowed had he retained title to the ADPE, except that rental costs may be allowed in accordance with paragraphs (b)(1) and (2) of this section (i) where the sale and leaseback immediately followed purchase of the ADPE, or (ii) where the sale and leaseback is otherwise in the best interest of the Government.

(4) Rental costs of ADPE which is leased from any division, subsidiary, or organization under a common control shall be limited to the cost of ownership (excluding interest or other unallowable costs pursuant to Subpart 18–15.2 except as provided in paragraph (b)(5) of this section.

(5) Rental costs of ADPE which is leased from any division, subsidiary or organization under a common control which has an established practice of leasing the same or similar equipment to unaffiliated lessees shall be allowed in accordance with paragraphs (b)(1) and (2) of this section, except the purchase price for the purposes of paragraph (b)(1) of this section and costs of ownership for the purpose of paragraph (c)(2) of this section shall be determined in accordance with § 18–15.205–22(e).

* * * * *

PART 18–16—PROCUREMENT FORMS

§ 18–16.001 [Amended]

1. In § 18–16.001, paragraph (c) is revised to read as follows:

* * * * *

(c) *Department of Defense Forms.*

Number	Date	Title
250	(11–68)	Material Inspection and Receiving Report.
250c	(10–66)	Material Inspection and Receiving Report—Continuation Sheet.
254	(7–67)	Security Requirements Checklist.
346	(7–52)	Raw (Basic Processed) and Semi-fabricated Stock Form.
347	(7–52)	Bill of Materials for Subcontracted Parts—Purchased Parts—Government-Furnished Property.
441	(5–54)	Security Agreement.
448–2	(3–61)	Acceptance of MIPR.
492	(12–60)	Report of Allotments and Authorized Controlled Materials Orders (Culmulative).
529	(1–60)	Allocation Determination.
530	(1–60)	Return of Controlled Materials Allocations.
540	(4–57)	Settlement Proposal (Inventory Basis).
541	(4–57)	Settlement Proposal (Total Cost Basis).
542	(6–68)	Inventory Schedule A (Metals in Mill Product Form).
542c	(4–57)	Inventory Schedule A (Continuation Sheet).
543	(6–68)	Inventory Schedule B (Raw Materials, Purchased Parts, Finished Components, Finished Products, Miscellaneous).
543c	(4–57)	Inventory Schedule B (Continuation Sheet).
544	(6–68)	Inventory Schedule C (Work in Process).
544c	(4–67)	Inventory Schedule C (Continuation Sheet).
545	(6–68)	Inventory Schedule D (Dies, Jigs, Fixtures, etc., and Special Tools).
545c	(4–57)	Inventory Schedule D (Continuation Sheet).
546	(4–57)	Schedule of Accounting Information.
547	(4–57)	Settlement Proposal for Cost-Reimbursement Type Contracts.
548	(7–58)	Application for Partial Payment.
614	(6–57)	Materials Requirements—Steel and Nickel Alloys.
614–1	(6–57)	Materials Requirements—Copper and Aluminum.
633	(4–68)	Contract Pricing Proposal.[1]
633–1	(4–68)	Contract Pricing Proposal (Technical Services).[1]
633–2	(4–68)	Contract Pricing Proposal (Technical Publications).[1]
633–3	(4–68)	Contract Pricing Proposal (Motion Pictures).[1]
633–4	(4–68)	Contract Pricing Proposal (Research and Development).[1]
633–5	(4–68)	Contract Pricing Proposal (Change Orders).[1]
933–6	(6–72)	Contract Pricing Proposal—Price Redetermination (Including Final Pricing).[1]
633–7	(3–73)	Claim For Exemption From (Certified Cost or Pricing Data).
783	(7–61)	Royalty Report (Foreign and Domestic).
784	(4–59)	Cost and Price Analysis for Contract Price Redetermination.
831	(4–70)	Settlement Proposal (Short Form).
832	(3–69)	Termination Inventory Schedule E (Short Form for Use With DD Form 831 Only).
1114	(10–59)	Instructions for Use of Contract Termination Settlement and Inventory Schedule Forms.[1]
1115	(6–69)	Instructions in Preparing Inventory Schedules of Contractor Inventory.[1]
1149	(3–59)	Requisition and Invoice/Shipping Document.
1342	(2–68)	DOD Property Record.
1419	(2–68)	DOD Industrial Plant Equipment Requisition.
1524	(1–66)	Pre-Award Survey of Prospective Contractor—General.
1593	(2–69)	Contract Administration Completion Record.
1594	(2–70)	Contract Completion Statement.[1]
1597	(1–70)	Contract Closeout Checklist.[1]
1598	(6–69)	Contract Termination Status Report.
1635	(1–68)	Plant Clearance Case Register.
1636	(11–70)	Inventory Disposal Report.
1637	(1–68)	Notice of Acceptance of Inventory.
1639	(1–68)	Scrap Warranty.
1641	(1–68)	Disposal Determination/Approval.
1642	(1–68)	Inventory Verification Survey.
1673	(1–69)	Payment Bond for Other than Construction Contracts.
1784	(11–70)	Small Purchase Pricing Memorandum.

[1] NASA edition.

* * * * *

2. Section 18–16.202 is revised in its entirety as follows:

§ 18–16.202 Contract pricing proposal forms.

§ 18–16.202–1 General.

(a) DD Form 633 (NASA Edition) or the appropriate one or more of the forms set forth in § 18–16.206–2 shall be used except for negotiated final overhead rates whenever cost or pricing data (see § 18–3.807–3(g)) is required pursuant to § 18–3.807, in connection with the pricing of contracts, subcontracts, and changes or modifications to contracts and subcontracts; or, in accordance with § 18–3.807–3(a) whenever exemption from such requirements for contracts or subcontracts is claimed by reason of established catalog or market price (see § 18–3.807–1(b)(2)) or price set by law or regulation: *Provided, however,* That the "Cost Elements" and estimates in DD Forms 633–1 through 633–6 may be presented in a different format acceptable to the contracting officer, where the contractor's or subcontractor's accounting system makes the use of the prescribed format impracticable or when required for a more effective and efficient presentation of cost or pricing information: *And provided further,* That in such cases a signed DD Form 633 or one of the special forms set forth in § 18–16.202–2 is required to be submitted and fully accomplished as to all items except that the "Cost Elements" and the "Proposed Contract Estimate" may be accomplished by making reference to the contractor's format.

(b) DD Form 783 (Royalty Report (Foreign and Domestic)) is approved for use as the separate schedule required by footnote 14 of DD Form 633, footnote 5 of DD Form 633–3, footnote 4 of DD Form 633–4 and footnote 18 of DD Form 633–5.

§ 18–16.202–2 Special forms.

The following forms may be used as appropriate:

(a) DD Form 633–1 (Contract Pricing Proposal (Technical Services)),

(b) DD Form 633–2 (Contract Pricing Proposal (Technical Publications)),

(c) DD Form 633–3 (Contract Pricing Proposal (Motion Pictures)),

(d) DD Form 633–4 (Contract Pricing Proposal (Research and Development)),

(e) DD Form 633–5 (Contract Pricing Proposal (Change Orders)),

(f) DD Form 633–6 (Contract Pricing Proposal—Price Redetermination (Including Final Pricing)), and

(g) DD Form 633–7 (Claim for Exemption From Certified Cost or Pricing Data).

§ 18–16.202–3 Contract pricing proposal supporting schedules.

Contract pricing proposal supporting schedules may be devised by the contracting officer to require such supporting data to the foregoing forms as is considered necessary and reasonable through knowledge of industry; company or commodity practices.

3. Section 18–16.401–1 is revised to read as follows:

§ 18–16.401–1 General.

The following forms are prescribed for use in formally advertised construction contracts where the work is to be performed in the United States, its possessions, or Puerto Rico:

(a) Standard Form 19—Invitation, Bid and Award (Construction, Alteration, or Repair).

(b) Standard Form 19–A—Labor Standards Provisions—Applicable to Contracts in Excess of $2,000 (April 1965 Edition). Pending the publication of a new edition of the form, the provisions of Standard Form 19–A shall be deleted and the provisions prescribed by § 18–12.403–1 shall be substituted therefor.

(c) Standard Form 19–B—Representations and Certifications (Construction Contract).

(d) Standard Form 20—Invitation for Bids (Construction Contract).

(e) Standard Form 21—Bid Form (Construction Contract).

(f) Standard Form 22—Instructions to Bidders (Construction Contract).

(g) Standard Form 23—Construction Contract.

(h) Standard Form 23–A—General Provisions (Construction Contract).

(i) NASA Form 604—Additional General Provisions to U.S. Standard Form 23–A.

(j) Standard Form 30—Amendment of Solicitation/Modification of Contract (see § 18–16.103).

(k) *Continuation Sheet.* There is no prescribed form of Continuation Sheet for construction contracts. A blank sheet, incorporating (1) the contract or invitation number, as appropriate; (2) page number and number of pages; and (3) name the bidder or contractor may be used for this purpose. Standard Form 36, Continuation Sheet (Supply Contract), shall not be used for construction contracts.

4. Section 18–16.805 is revised to read as follows:

§ 18–16.805 Bond forms.

The bond forms listed below are available for use in accordance with the provisions of Part 18–10.

(a) Bid Bond (Standard Form 24).

(b) Annual Bid Bond (Standard Form 34).

(c) Performance Bond (Standard Form 25).

(d) Payment Bond (Standard Form 25–A).

(e) Continuation Sheet (Standard Form 25–B) (For Standard Forms 24, 25, 25–A).

(f) Affidavit of Individual Surety (Standard Form 28).

(g) Annual Performance Bond (Standard Form 35).

(h) DD Form 1673, Payment Bond for other than Construction Contracts (NASA Edition).

5. Section 18–16.850 is revised to read as follows:

§ 18–16.850 NASA small business subcontracting program quarterly report of participating large company on subcontract commitments to small and minority business concerns (NASA Form 524).

NASA Form 524, NASA Small Business Subcontracting Program Quarterly Report of Participating Large Company on Subcontract Commitments to Small and Minority Business Concerns, shall be used for the submission of reports by all NASA contractors who participate in the NASA Subcontracting Small Business Program as required by § 18–1.707–5. Instructions for its use are printed on the form.

PART 18–50—ADMINISTRATIVE POLICIES AND PROCEDURES

1. Section 18–50.105 is revised to read as follows:

§ 18–50.105 Approval of contracts and supplemental agreements.

(a) *General.* All contractual documents, regardless of dollar value, require a complete review by the contracting officer, notwithstanding that further review and approval may be required.

(b) *Contracts and supplemental agreements.* Proposed contracts and supplemental agreements in the following categories shall be submitted to the Director of Procurement, NASA Headquarters (Code DKO–1) for approval:

(1) For utility services when an area-wide contract is not used and either

(i) The annual cost of the services to be procured is estimated by the using installation, at the time of the initiation of the service or annual renewal of the expenditure, to exceed $50,000; or

(ii) When, except for communication services, a proposed connection charge, termination liability, or any other facilities charge to be paid (whether or not refundable) is estimated to exceed $5,000.

(2) For architect-engineer services when:

(i) The total dollar value is $250,000, or

(ii) The work to be performed under a cost-plus-fixed-fee or fixed-price contract includes services of the type described in § 18–4.201(b) (2), (3), or (4), and the fee, inclusive of the architect-engineer's costs, to be paid to the architect-engineer for the performance of such services exceeds 6 percent of the estimated cost of the related construction project, exclusive of the amount of such fee.

(3) Providing facilities having a total acquisition value exceeding $250,000, or providing real property regardless of amount (see § 18–13.302(b)); and

(4) Each contract or supplemental agreement selected for Headquarters review and approval under the Master Buy Plan Procedure (see Subpart 18–50.2).

(c) *Letter Contracts.* All letter contracts require advance authorization for issuance by the Administrator or Deputy Administrator, NASA Headquarters. Requests for authority to issue letter contracts shall be processed in accordance with the procedures set forth in § 18–3.408.

(d) *Leases.* Leases, and extensions thereto, for the rental of real property by the Government where the annual rental is more than $25,000 or where a Certificate of Necessity under 40 U.S.C. 278b is required shall be submitted to the Director of Procurement for approval.

(e) *Approval Provisions.* All negotiated definitive instruments which require the approval of the Director of Procurement, pursuant to this section, shall contain the clause set forth in § 18–7.104–51.

2. A new subpart 18–50.2 is added.

Subpart 18–50.2—Master Buy Plan Procedure

AUTHORITY: The provisions of this Subpart 18–50.2 issued under 42 U.S.C. 2473(b)(1).

§ 18–50.200 Scope of subpart.

This subpart prescribes the Master Buy Plan Procedure, sets forth the requirements for furnishing advance information to NASA Headquarters on proposed procurements that meet the criteria in this subpart, and prescribes the procedures for selecting those procurements that are to be subject to NASA Headquarters review and approval and those that are to be processed at the installation level. This subpart also prescribes the approval requirements for those procurements that are to be processed at the installation level.

§ 18–50.201 Policy.

The Master Buy Plan Procedure is designed to enable management to focus its attention on a representative selection of high dollar value and otherwise sensitive procurement actions without compromise of Headquarters visibility or control over essential management functions. This procedure is intended to:

(a) Reduce the number of procurement actions requiring Headquarters review and approval;

(b) Permit better visibility of those procurement actions to be submitted to Headquarters;

(c) Permit better planning of workload and better use of personnel resources at both Headquarters and installation levels;

(d) Shorten the procurement review and approval cycle at Headquarters; and

(e) Increase the delegation of procurement responsibility and authority to each installation.

§ 18–50.202 Applicability.

(a) The Master Buy Plan Procedure is applicable to each negotiated procurement, when the estimated cost of that procurement, or aggregate amount of follow-on procurements under the same program (see § 18–3.852–2(b)), is expected to equal or exceed the dollar value shown below, for the installation making the award. Information on those pro-

curements is required to be submitted to NASA Headquarters in accordance with § 18–50.203–1 for determination as to whether individual procurement actions are to be submitted to NASA Headquarters for review and approval or may be approved at the installation level. These individual procurement actions may include one or more of the following: procurement plans, justifications for noncompetitive procurements, justifications for acceptance of unsolicited proposals, source evaluation board appointments and source selections, incentive contract plans, and contracts (including supplemental agreements.)

MONETARY LIMITATIONS ON MASTER BUY PLAN PROCEDURES

Ames Research Center	$2,500,000
Langley Research Center	
Lewis Research Center	
Goddard Space Flight Center	
Johnson Space Center	
Marshall Space Flight Center	
Kennedy Space Center	
Headquarters Contracts Division	1,000,000
NASA Pasadena Office	
Flight Research Center	500,000
Wallops Station	

(b) The foregoing monetary limitations also apply to the following types of contracts:

(1) A contract which contains an option provision, as authorized by Subpart 18–15, or an agreement-to-agree provision, when the total dollar value, including the option(s) or agreement(s)-to-agree, equals or exceeds the dollar value set forth in paragraph (a) of this section, for the installation making the award.

(2) A supplemental agreement (except one which provides only for the addition or deletion of funds for incremental funding purposes) which:

(i) Definitizes either one or more debit change orders or one or more credit change orders when the total dollar value of either the debit change order(s) or credit change order(s) equals or exceeds the dollar value set forth in paragraph (a) of this section for the installation making the award;

(ii) Definitizes and consolidates one or more debit and one or more credit change orders when the total dollar value of either the debit change order(s) or credit change order(s) before consolidation equals or exceeds the dollar value set forth in paragraph (a) of this section, for the installation making the award; or

(iii) Adds new work and definitizes and consolidates one or more debit and one or more credit change orders when the total dollar value of either (*a*) the new work and debit change order(s), or (*b*) the new work and the credit change order(s) equals or exceeds the dollar value set forth in paragraph (a) of this section, for the installation making the award.

(c) The Master Buy Plan Procedure is not applicable to contracts and supplemental agreement that require the approval of the Director of Procurement in accordance with § 18–50.105(b) (1), (2) or (3) or to leases that require the approval of the Director of Procurement in accordance with § 18–50.105(d).

§ 18–50.203 Submission, selection, and notification procedure.

§ 18–50.203–1 Submission of master buy plan.

Prior to April 15th of every year, each installation will submit to the Headquarters offices indicated in § 18–50.203–3 a Master Buy Plan (original and eight copies) for the next fiscal year, listing therein every known procurement that meets the criteria set forth in § 18–50.202 and which has not been included in a previous Master Buy Plan. The plans will be prepared in accordance with the format shown in § 18–50.206. Procurement actions that require Headquarters approval (see § 18–50.204) will be held in abeyance until receipt of the notification required by § 18–50.203–4(a), § 18–50.203–4(b) or § 18–50.203–4(c). This is not to preclude the planning for or initiation of such actions up to that point where Headquarters approval may be required.

§ 18–50.203–2 Submission of amendments to the Master Buy Plan.

Procurements identified by installations after submission of their Master Buy Plan for a fiscal year, which meet one of the criteria in § 18–50.202, will be submitted for Headquarters review and approval in the same manner as the original Master Buy Plan.

§ 18–50.203–3 Headquarters offices to receive Master Buy Plans.

Field installations will submit their Master Buy Plans to the cognizant Program Associate Administrator. The collocated procurement representative will effect the necessary distribution of the Master Buy Plans within Headquarters. The Director, Headquarters Administration, will submit the Headquarters Master Buy Plan to the Director of Procurement (Attn: DKO/Assistant Director for Operations). The Assistant Director for Operations will effect the necessary distribution of the Master Buy Plan within Headquarters.

§ 18–50.203–4 Selection and notification procedures.

(a) *Field Installation Master Buy Plans.* Selection of procurements from the Master Buy Plan to receive Headquarters review and approval will be made by the cognizant Program Associate Administrator and the Associate Administrator for Organization and Management, with the concurrence of the Director of Procurement. The Head of the Installation (see § 18–1.214) and the Institutional Associate Administrator, if appropriate will be notified by the cognizant Program Associate Administrator of those procurements that have been selected for Headquarters review and approval under the Master Buy Plan Procedure.

(b) *Headquarters Procurement Master Buy Plans.* For procurements under the cognizance of a Headquarters Functional Office, the selection of procurements requiring Headquarters approval will be made from the Master Buy Plan by the cognizant Functional Office Assistant Administrator and the Associate Administrator for Organization and Management, with the concurrence of the Director of Procurement. For procurements under the cognizance of a Program Associate Administrator, the selection will be made by the cognizant Program Associate Administrator and the Associate Administrator for Organization and Management, with the concurrence of the Director of Procurement. The Director of Procurement will notify the Director, Headquarters Administration of those procurements that have been selected for review and approval under the Master Buy Plan Procedure.

(c) *Amendments to the Master Buy Plan.* The selection of procurements submitted as amendments to the Master Buy Plan (see § 18–50.203–2) to receive Headquarters review and approval will be based on agreement between the cognizant Program Associate Administrator or Functional Office Assistant Administrator and the Director of Procurement. Notification of the procurement selected will be accomplished in accordance with the procedures in paragraphs (a) and (b) of this section.

(d) *Notification when procurement is cancelled, superseded, deferred or no longer requires Headquarters approval.* In the event a selected procurement, subsequent to its selection, is cancelled, superseded or deferred, the cognizant Program Associate Administrator or the Director of Procurement, as appropriate, will be advised with reasons therefor. If a selected procurement no longer requires Headquarters approval in accordance with the criteria in § 18–50.202, the cognizant Program Associate Administrator or the Director of Procurement, as appropriate, will be so advised. The cognizant Program Associate Administrator or Director of Procurement, as appropriate, will notify the installation concerned that the procurement still require Headquarters approval or that it may be processed at the installation level.

§ 18–50.204 Procedures for procurements selected for Headquarters review and approval.

For those procurements which have been selected for Headquarters review and approval under this procedure, the cognizant installation will ensure that all documents that require Headquarters review and approval are submitted in accordance with established procedures. Such documents include procurement plans (§ 18–3.852–2(a)(3)); justifications for noncompetitive procurements (§ 18–3.802–3(d)(5)); justifications for acceptance of unsolicited proposals (§ 18–4.403(c)); source evaluation board appointments (NPC 402, para. 302) and source selections (NPC 402, para. 525 and Chapter 7); incentive contract plans

(§ 18–3.450(c)); and contracts and supplemental agreements (§ 18–50.106).

§ 18–50.205 Procedures for Procurements not Selected for Headquarters Review and Approval.

(a) Procurements which are not selected for Headquarters review and approval shall be processed at the installation level. For such procurements, the following documents will be approved by the Head of the Installation: procurement plans, justifications for noncompetitive procurements, justifications for acceptance of unsolicited proposals, and incentive contract plans. If the procurement is to be competitive and subject to the procedures of the Source Evaluation Board Manual, the Head of the Installation shall also act as the Source Selection Official. Approval of contracts and supplemental agreements that are not selected for Headquarters review and approval, under this Master Buy Plan Procedure shall be evidenced by memorandum to the contract file signed by the Procurement Officer. The signing of the contract or modification by the Procurement Officer, as the contracting officer, constitutes such approval. The above approval authorities may not be redelegated, except that the Head of the Installation may redelegate the authority to approve procurement plans and incentive contract plans to his Deputy or Associate Director (the title "Associate Director" means a full Associate Director and not an Associate Director for_____), without authority for further redelegation.

(b) For those procurements that are authorized to be processed at the installation level, after-the-fact reviews of contracts and supplemental agreements will be conducted by Headquarters personnel during normal procurement surveys or as the situation may otherwise indicate, through special reviews. In order that Headquarters can plan for these reviews, a copy of each such contract or supplemental agreement, together with the associated memorandum of negotiaton, shall be forwarded to the Director of Procurement, NASA Headquarters (Attn: DKO–1) at the time of distribution. This requirement supersedes the requirements set forth in §§ 18–50.305–2 and 18–50.305–3.

§ 18–50.206 Format of Master Buy Plan.

In accordance with the requirements of §§ 18–50.203–1 and 18–50.203–2, Master Buy Plans will be prepared in the format set forth below:

MASTER BUY PLAN

Installation: _____ Date: _____

Cognizant Hdq. program office	Descriptive title of procurement	Estimated dollar value	C or NC [1]	N or FO [2]	Current status [3]	Remarks [4]

[1] Use C or NC to show whether procurement will be competitive or noncompetitive (if noncompetitive, include name of firm under Remarks).
[2] Use N or FO to indicate whether this is a new or follow-on procurement.
[3] Indicate current status and scheduled date for next event.
[4] In addition to any other data considered pertinent by the Installation, such as any sensitive or controversial matters, indicate required date for placement of contract (use separate sheet as necessary).

(This format should be prepared on legal size paper)

§ 18–51.304 [Amended]

3. In § 18–51.304, paragraph (d) has been revised to add subparagraphs (31), (32), (33), and (34) as follows:

* * * * *

(31) Determine adequacy of prime contractor's Disclosure Statements;

(32) Determine whether prime contractor's Disclosure Statements are in compliance with Part 18–15 and Cost Accounting Standards;

(33) Determine contractor compliance with Cost Accounting Standards and Disclosure Statements, if applicable; and

(34) Negotiate price adjustments pursuant to the Cost Accounting Standards clause and advise the NASA contracting officer of results.

* * * * *

SUPPLEMENT 3—PROPERTY ADMINISTRATION

1. S3.603 is revised to read as follows.

S 3.603 Financial reports.

(a) The property administrator is responsible for obtaining, for all contracts assigned to him, financial reports from the contractor as required under the provisions of paragraph B.311 of Appendix B or paragraph C.311 of Appendix C, and the clause of the contract entitled "Financial Report of Government-Owned Space Hardware," when applicable. The reports shall be distributed in accordance with the procedures in paragraphs (b), (c), and (d) below.

(b) Four copies of each of the contractor's semiannual reports (NASA) Forms 1017 and 1018), or a negative letter report, when appropriate, shall be reviewed and forwarded by the property administrator within three working days after receipt to the contracting officer, Attention: Industrial Property Specialist. The industrial property specialist will furnish one copy of each report to the cognizant financial management or fiscal officer and forward one copy of each report to the Director of Procurement (Code DKP–1) and to the Director of Facilities (Code BE), to arrive not later than July 29 covering the period December 1–June 30 and December 31 covering the period July 1–November 30.

(c) In the case of contracts being administered for the Department of Defense, the reports shall be sent as follows:

(i) *Army*—The procurement contracting officer.

(ii) *Navy*—Commanding Officer, Navy Finance Center, Attention: FPA 20, Washington, D.C. 20390

(iii) *Air Force*—(to be provided)

(iv) *Defense Supply Agency*—Director, Defense Supply Agency, Attention: DSAH-CFS, Cameron Station, Alexandria, Virginia 22314

(d) For material, the annual contractor's reports specified in B.311(b) shall be accumulated by the property administrator and transmitted to the appropriate Military Department or the Defense Supply Agency, to arrive not later than August 30 of each year. The Army reports shall be sent to the finance and Accounting Officer, U.S. Army Materiel Command, Washington, D.C. 20315. The Navy, Air Force, and Defense Supply Agency reports shall be sent to the addresses in (c) above.

GEORGE J. VECCHIETTI,
Assistant Administrator for Procurement, National Aeronautics and Space Administration.

[FR Doc.74–8276 Filed 4–10–74;8:45 am]

Title 24—Housing and Urban Development

CHAPTER X—FEDERAL INSURANCE ADMINISTRATION

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

PART 1915—IDENTIFICATION OF SPECIAL HAZARD AREAS

[Docket No. FI-239]

List of Communities With Special Hazard Areas

The Federal Insurance Administrator finds that comment and public procedure and the use of delayed effective dates in identifying the areas of communities which have special flood or mudslide hazards, in accordance with 24 CFR Part 1915, would be contrary to the public interest. The purpose of such identifications is to guide new development away from areas threatened by flooding. Since this publication is merely for the purpose of informing the public of the location of areas of special flood hazard and has no binding effect on the sale of flood insurance or the commencement of construction, notice and public procedure are impracticable, unnecessary, and contrary to the public interest. Inasmuch as this publication is not a substantive rule, the identification of special hazard areas shall be effective on the date shown. Accordingly, § 1915.3 is amended by adding in alphabetical sequence a new entry to the table, which entry reads as follows:

§ 1915.3 **List of communities with special hazard areas.**

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Alabama	Escambia	Atmore, city of	H 01 053 0180 01 through H 01 053 0180 04	Alabama Development Office, Office of State Planning, State Office Bldg., 501 Dexter Ave., Montgomery, Al. 36104. Alabama Insurance Department, Room 453, Administrative Bldg., Montgomery, Al. 36104.	Mayor, City Hall, Atmore, Al. 36502	Apr. 5, 1974.
Arizona	Coconino	Williams, city of	H 04 005 0590 01 through H 04 005 0590 03	Arizona State Land Department, 1624 West Adams, Room 400, Phoenix, Ariz. 85007. Arizona Department of Insurance, P.O. Box 7098, 718 West Glenrosa, Phoenix, Ariz. 85011.	Mayor, 113 South 1 St., Williams, Ariz. 86046.	Do.
Do	Maricopa	Gilbert, town of	H 04 013 0190 01	do	Mayor, City of Gilbert, 175 South Main St., Gilbert, Ariz. 85234.	Do.
Do	Navajo	Snowflake, town of.	H 04 017 0430 01	do	Mayor, Town of Snowflake, City Hall, Snowflake, Ariz. 85937.	Do.
Do	Pima	South Tucson, town of.	H 04 019 0460 01	do	Town Manager, 1810 South 6th Ave., Tucson, Ariz. 85713.	Do.
Do	Pinal	Casa Grande, city of.	H 04 021 0070 01 through H 04 021 0070 03	do	City Hall, 300 East 4th St., Casa Grande, Ariz. 85222.	Do.
Do	do	Coolidge, city of	H 04 021 0110 01	do	Mayor, Town of Coolidge, P.O. Box 398, Coolidge, Ariz. 85228.	Do.
Arkansas	Johnson	Lamar, city of	H 05 071 2220 01	Division of Soil and Water Resources, State Department of Commerce, 1920 West Capitol Ave., Little Rock, Ark. 72201. Arkansas Insurance Department, 400 University Tower Bldg., Little Rock, Ark. 72204.	Mayor, Lamar, Ark. 72846	Do.
Do	Columbia	Waldo, city of	H 05 027 3990 01	do	Mayor, Waldo, Ark. 71770	Do.
Do	Little River, city of.	Ashdown, city of	H 05 081 0160 01 through H 05 081 0160 02	do	Mayor, Ashdown, Ark. 71822	Do.
Do	Monroe	Holly Grove, city of.	H 05 095 1880 01	do	Mayor, City Hall, Holly Grove, Ark. 72069.	Do.
Do	Phillips	West Helena, city of.	H 05 107 4110 01	do	Mayor, City Hall, West Helena, Ark. 72390.	Do.
Do	Scott	Waldron, city of	H 05 127 4000 01 through H 05 127 4000 02	do	Mayor, City Hall, Waldron, Ark. 72958.	Do.
Do	Washington	Springdale, city of.	H 05 143 3670 01 through H 05 143 3670 08	do	Mayor, City Administration Bldg., Springdale, Ark. 72764.	Do.
California	Imperial	Holtville, city of	H 06 025 1630 01	Department of Water Resources, P.O. Box 388, Sacramento, Calif. 95802. California Insurance Department, 107 South Broadway, Los Angeles, Calif. 90012.	Mayor, 221 West 5th St., Holtville, Calif. 92250.	Do.
Do	Riverside	Beaumont, city of	H 06 065 0290 01 through H 06 065 0290 03	do	Mayor, City Hall, 500 Grace Ave., Beaumont, Calif. 92223.	Do.
Do	San Bernardino	Montclair, city of	H 06 071 2230 01 through H 06 071 2230 02	do	Office of City Clerk, 5111 Benito St., P.O. Box 2308, Montclair, Calif. 91763.	Do.
Do	San Diego	Imperial Beach, city of.	H 06 073 1685 01 through H 06 073 1685 06	do	Planning Department, 825 Coronado Ave., Imperial Beach, Calif. 92032.	Do.
Do	San Joaquin	Lodi, city of	H 06 077 1940 01 through H 06 077 1940 04	do	Planning Department, City Hall, 221 West Pine St., Lodi, Calif. 92540.	Do.
Do	Siskiyou	Fort Jones, city of	H 06 093 1330 01	do	Mayor, Fort Jones, Calif. 96032	Do.
Colorado	Otero	Rocky Ford, city of.	H 08 089 2150 01	Colorado Water Conservation Board, Room 102, 1845 Sherman St., Denver, Colo. 80203. Colorado Division of Insurance, 104 State Office Bldg., Denver, Colo. 80203.	Mayor, City Hall, Rocky Ford, Colo. 81067.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do	Weld	Evans, city of	H 08 123 0780 01	do	Mayor, City Hall, Evans, Colo. 80620	Do.
Connecticut	Fairfield	Bethel, town of	H 09 001 0500 01 through H 09 001 0500 08	Department of Environmental Protection, Division of Water and Related Resources, Room 207, State Office Bldg., Hartford, Conn. 06115. Connecticut Insurance Department, State Capitol Ave., Hartford, Conn. 06115.	First Selectman, Town Hall, Bethel, Conn. 06801.	Do.
Do	Hartford	Enfield, town of	H 09 003 0229 01 through H 09 003 0229 09	do	Mayor, City Hall, Enfield, Conn	Do.
Do	New Haven	Cheshire, town of	H 09 009 0110 01 through H 09 009 0110 11	do	Mayor, City Hall, Cheshire, Conn	Do.
Delaware	New Castle	Delaware City, city of	H 10 003 0110 01	Division of Soil and Water Conservation, Department of Natural Resources and Environmental Control Tatnall Bldg., Capital Complex, Dover, Del. 19901. Delaware Insurance Department, 21 The Green, Dover, Del. 19901.	Office of the Mayor, city of Delaware City, 407 Clinton St., Delaware City, Del. 19706.	Do.
Georgia	Polk	Cedartown, city of	H 12 233 1010 01 through H 12 233 1010 05	Department of Natural Resources, Office of Planning and Research, 270 Washington St. SW., Room 707, Atlanta, Ga. 30334. Georgia Insurance Department, State Capitol, Atlanta, Ga. 30334.	Office of City Manager, P.O. Box 65, Cedartown, Ga. 30125.	Do.
Do	Bulloch	Brooklet, town of	H 13 031 0730 01	do	Mayor, City Hall, Brooklet, Ga. 30415	Do.
Do	Cherokee	Canton, city of	H 13 057 0920 01 through H 13 057 0920 02	do	Cherokee County Commissioners, Canton, Ga. 30114.	Do.
Do	Cobb	Acworth, town of	H 13 067 0020 01 through H 13 067 0020 03	do	City Clerk's Office, 4375 Senator Richard Russell Square, Acworth, Ga. 30101.	Do.
Do	Cobb and Douglas.	Austell, town of	H 13 067 0320 01 through H 13 067 0320 02	do	Mayor, Clerk's Office, Austell, Ga. 30001.	Do.
Do	Heard	Centralhatchee, town of.	H 13 149 1040 01	do	Heard County Board of Commissioners, Centralhatchee Town, Franklin, Ga. 30217.	Do.
Do	Mitchell	Baconton, town of.	H 13 205 0360 01	do	Mayor, City Hall, Baconton, Ga. 31716.	Do.
Illinois	Cass	Virginia, city of	H 17 017 8930 01	Governor's Task Force on Flood Control, Natural Resources Services Center, Thornhill Bldg., P.O. Box 475, Lisle, Ill. 60532. Illinois Insurance Department, 509 State Office Bldg., Springfield, Ill. 62702.	Mayor, Virginia, Ill. 62691	Do.
Do	Cook	Barrington Hills, village of.	H 17 031 0512 01 through H 17 031 0512 11	do	President, Helm Rd., Barrington Hills, Barrington, Ill. 60010.	Do.
Do	do	Calumet City, city of.	H 17 031 1260 01 through H 17 031 1260 03	do	Mayor, City Hall, 204 Pulaski Rd., Calumet City, Ill. 60409.	Do.
Do	do	Country Clugb Hills, city of.	H 17 031 1992 01 through H 17 031 1992 02	do	Mayor, City Hall, 17701 South Crawford Ave., Country Club Hills, Ill. 60477.	Do.
Do	do	Countryside, city of.	H 17 031 1995 01	do	Mayor, City Hall, 5550 East Ave., Countryside, Ill. 60525.	Do.
Do	do	Dixmoor, village of.	H 17 031 2370 01	do	President, Dixmoor Village Hall, Blue Island, Ill. 60406.	Do.
Do	do	East Chicago Heights, village of.	H 17 031 2530 01	do	President, Village Hall, 1327 Ellis Ave., East Chicago Heights, Ill. 60411.	Do.
Do	do	Forest Park, village of.	H 17 031 3100 01	do	Mayor, 517 Des Plaines Ave., Forest Park, Ill. 60130.	Do.
Do	do	Forest View, village of.	H 17 031 3105 01	do	President, Village Hall, 7000 West 45th St., Berwyn, Ill. 60402.	Do.
Do	do	Glenwood, village of.	H 17 031 3440 01 through H 17 031 3440 02	do	Village Hall, Rose and Rebecca St., Glenwood, Ill. 60425.	Do.
Do	do	Indian Head Park, village of.	H 17 031 4146 01	do	President, Village Hall, Indian Head Park, Ill. 60521.	Do.
Do	do	McCook, village of.	H 17 031 5050 01	do	Mayor, Village Hall, 50th St. and Glencoe, McCook, Ill. 60525.	Do.
Do	do	Melrose Park, village of.	H 17 031 5430 01 through H 17 031 5430 02	do	President, 706 North 18th Ave., Melrose Park, Ill. 60160.	Do.
Do	do	Thornton, village of.	H 17 031 8590 01	do	President, Village Hall, 115 East Margaret St., Thornton, Ill. 60476.	Do.
Do	do	Westhaven, village of.	H 17 031 9224 01	do	President, Village Hall, 16801 South 94th Ave., Tinley Park, Ill. 60477.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do.	do.	Worth, village of.	H 17 031 9580 01 through H 17 031 9580 02	do.	President, Village Hall, 7112 West 111th St., Worth, Ill. 60482.	Do.
Do.	De Kalb.	Sycamore, city of.	H 17 037 8450 01 through H 17 037 8450 04	do.	Mayor, City Hall, Sycamore, Ill. 60178.	Do.
Do.	Douglas.	Camargo, village of.	H 17 041 1275 01	do.	Mayor, City Hall, Camargo, Ill. 61919.	Do.
Do.	Du Page.	Wheaton, city of.	H 17 043 9290 01 through H 17 043 9290 04	do.	Mayor, 303 West Wesley St., Wheaton, Ill. 60187.	Do.
Do.	do.	Woodridge, village of.	H 17 043 9545 01 through H 17 043 9545 02	do.	Village Hall, 2900 West 83d St., Woodridge, Ill. 60515.	Do.
Do.	Greene.	White Hall, city of.	H 17 061 9310 01	do.	Mayor, City Hall, White Hall, Ill. 62092.	Do.
Do.	Jackson.	De Soto, village of.	H 17 077 2320 01	do.	Mayor, City Hall, DeSoto, Ill. 62924.	Do.
Do.	Jo Daviess.	Hanover, village of.	H 17 085 3730 01	do.	Mayor, Hanover City Hall, Hanover, Ill. 61041.	Do.
Do.	Kane.	South Elgin, village of.	H 17 089 5100 01	do.	President, 136 West State St., South Elgin, Ill. 60177.	Do.
Do.	do.	Valley View, village of.	H 17 089 8786 01	do.	President, 6N656 Watseka Ave., Route 2, Box 600, St. Charles, Ill. 60174.	Do.
Do.	do.	West Dundee, village of.	H 17 089 9200 01	do.	President, 102 South 2d, West Dundee, Ill. 60118.	Do.
Do.	Lake.	Antioch, village of	H 17 097 0230 01 through H 17 097 0230 02	do.	Mayor, 874 Main St., Antioch, Ill. 60002.	Do.
Do.	do.	Grayslake, village of.	H 17 097 3580 01	do.	Village of Grayslake, 164 Hawley St., Grayslake, Ill. 60030.	Do.
Do.	do.	Lindenhurst, village of.	H 17 097 4861 01	do.	Mayor, 2508 Grand, Lindenhurst, Ill. 60046.	Do.
Do.	do.	Long Grove, village of.	H 17 097 4958 01 through H 17 097 4958 05	do.	President, Route, Box 254, Long Grove, Ill. 60047.	Do.
Do.	do.	North Chicago, city of.	H 17 097 6290 01 through H 17 097 6290 03	do.	Mayor, 1850 Lewis Ave., North Chicago, Ill. 60064.	Do.
Do.	do.	Round Lake Beach, village of.	H 17 097 7560 01 through H 17 097 7560 02	do.	Mayor, 1212 Cedar Lake, Round Lake Beach, Ill. 60074.	Do.
Do.	do.	Tower Lakes, village of.	H 17 097 8705 01	do.	President, 318 East Lake Shore Dr., Tower Lakes, Barrington, Ill. 60010.	Do.
Do.	do.	Wauconda, village of.	H 17 097 9090 01 through H 17 097 9090 02	do.	Mayor, 100 South Main, Wauconda, Ill. 60084.	Do.
Do.	La Salle.	Mendota, city of.	H 17 099 5480 01 through H 17 099 5480 02	do.	Mayor, City Hall, Mendota, Ill. 61342.	Do.
Do.	do.	Ottawa, city of.	H 17 099 6630 01 through H 17 099 6630 04	do.	Mayor, City Hall, Ottawa, Ill. 61350.	Do.
Do.	do.	Peru, city of.	H 17 099 6900 01 through H 17 099 6900 03	do.	Mayor, City Hall, Peru, Ill. 61354.	Do.
Do.	McHenry.	Fox River Grove, village of.	H 17 111 3140 01 through H 17 111 3140 02	do.	Village Hall, 408 NW Highway, Fox River Grove, Ill. 60021.	Do.
Do.	do.	Fox River Valley Gardens, village of.	H 17 111 3134 01	do.	Village of Fox River Valley Gardens, 31 North Circle Ave., Barrington, Ill. 60010.	Do.
Do.	do.	Richmond, village of.	H 17 111 7270 01	do.	President, Richmond, Ill. 60071.	Do.
Do.	Madison.	Edwardsville, city of.	H 17 119 2640 01 through H 17 119 2640 02	do.	City Council, 400 North Main St., Edwardsville, Ill. 62025.	Do.
Do.	Marshall.	Toluca, city of.	H 17 123 8660 01	do.	Mayor, Toluca, Ill. 61369.	Do.
Do.	Mason.	Havana, city of.	H 17 125 3810 01	do.	Mayor, City Hall, Havana, Ill. 62644.	Do.
Do.	Randolph.	Forester, village of.	H 17 157 3110 01	do.	Mayor, City Hall, Forester, Ill.	Do.
Do.	St. Clair.	Alorton, village of.	H 17 163 0120 01 through H 17 163 0120 02	do.	Zoning Director, St. Clair Bldg., 1 South Church, Belleville, Ill. 62220.	Do.
Do.	do.	Swansea, village of.	H 17 163 8430 01	do.	Zoning Commission Chairman, 215 Service, Belleville, Ill. 62220.	Do.
Do.	Tazewell.	Hopedale, village of.	H 17 179 4030 01	do.	Mayor, City Hall, Hopedale, Ill. 61747.	Do.
Do.	White.	Carmi, city of.	H 17 193 1380 01 through H 17 193 1380 02	do.	Mayor, Carmi, Ill. 62821.	Do.
Do.	Whiteside.	Albany, village of.	H 17 195 0040 01	do.	Mayor, Box 356, Albany, Ill. 61230.	Do.
Do.	Will.	Frankfort, village of.	H 17 197 3160 01	do.	President, Village Hall, 123 Kansas St., Frankfort, Ill. 60423.	Do.
Do.	do.	Mokena, village of.	H 17 197 5660 01	do.	President, Village Hall, Mokena, Ill. 60448.	Do.
Do.	do.	Shorewood, village of.	H 17 197 7977 01	do.	President, Village Hall, Route No. 1, Joliet, Ill. 60436.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do.	Winnebago	Durand, village of.	H 17 201 2480 01	do	Mayor, City Hall, Durand, Ill. 61024	Do.
Do.	do	Pecatonica, village of.	H 17 201 6830 01	do	Mayor, City Hall, Pecatonica, Ill. 61063.	Do.
Iowa	Benton	Belle Plaine, city of.	H 19 011 0710 01	Iowa Natural Resources Council, James W. Grimes Bldg., Des Moines, Iowa 50319. Iowa Insurance Department, Lucas State Office Bldg., Des Moines, Iowa 52172.	Mayor, City Hall, Belle Plaine, Iowa 52208.	Do.
Do.	do	Vinton, city of.	H 19 011 8670 01 through H 19 011 8670 04	do	Mayor, City Hall, Vinton, Iowa 52349	Do.
Do.	Humboldt	Humboldt, city of.	H 19 091 3950 01 through H 19 091 3950 02	do	Chairman, Humboldt Zoning Board, City Hall, Humboldt, Iowa 50548.	Do.
Do.	Polk	Ankeny, city of.	H 19 153 0280 01 through H 19 153 0280 09	do	Mayor, City Hall, Ankeny, Iowa 50021	Do.
Kansas	Pratt	Pratt, city of.	H 20 151 4550 01	Division of Water Resources, State Board of Agriculture, Topeka, Kans. 66612. Kansas Insurance Department, 1st Floor, Statehouse, Topeka, Kans. 66612.	City Manager, Municipal Bldg., Pratt, Kans. 67124.	Do.
Do.	Wyandotte	Edwardsville, city of.	H 20 209 1510 01 through H 20 209 1510 04	do	Mayor, City Hall, Edwardsville, Kans. 66113.	Do.
Louisiana	Allen Parish	Kinder, town of.	H 22 003 1210 01	State Department of Public Works, P.O. Box 44155, Capitol Station, Baton Rouge, La. 70804. Louisiana Insurance Department, Box 44214, Capitol Station, Baton Rouge, La. 70804.	Mayor, City Hall, Kinder, La. 70648	Do.
Do.	Lafayette	Duson, town of.	H 22 055 0650 01 through H 22 055 0650 02	do	Mayor, City Hall, Duson, La. 70529	Do.
Do.	Lafayette Parish	Youngsville, town of.	H 22 055 2480 01 through H 22 055 2480 02	do	Mayor, City Hall, Youngsville, La. 70592.	Do.
Do.	Rapides Parish	Boyce, town of.	H 22 079 0240 01	do	Mayor, Boyce, La. 71409	Do.
Do.	Sabine Parish	Many, town of.	H 22 085 1440 01	do	Mayor, City Hall, Many, La. 71449	Do.
Do.	St. Landry Parish.	Washington, town of.	H 22 097 2360 01	do	Mayor, City Hall, Washington, La. 70589.	Do.
Do.	Vermilion	Delcambre, town of.	H 22 113 0540 01	do	Mayor, City Hall, Delcambre, La. 70528.	Do.
Do.	Webster Parish	Doyline, village of.	H 22 119 0620 01	do	Mayor, P.O. Box 727, Doyline, La. 71023.	Do.
Maine	Androscoggin	Lewiston, city of.	H 23 001 4350 01 through H 23 001 4350 10	Maine Soil & Water Conservation Commission, State House, Augusta Maine 04330. Maine Insurance Department, Capitol Shopping Center, Augusta, Maine 04330.	Planning Department, City Bldg., Lewiston, Maine 04240.	Do.
Do.	York	Buxton, town of.	H 23 031 1225 01 through H 23 031 1225 04	do	Chairman, Board of Selectmen, Bar Mills, Maine 04004.	Do.
Maryland	Montgomery	Rockville, city of.	H 24 031 1360 01 through H 24 031 1360 04	Department of Water Resources, State Office Bldg., Annapolis, Md. 21401. Maryland Insurance Department, 301 West Preston St., Baltimore, Md. 21201.	City Hall, 111 South Perry St., Rockville, Md. 20850.	Do.
Do.	Worcester	Pocomoke City, city of.	H 24 047 1230 01	do	Mayor, City Hall, Pocomoke City, Md. 21851.	Do.
Massachusetts	Essex	Manchester, town of.	H 25 009 0665 01 through H 25 009 0665 05	Division of Water Resources, Water Resources Commission, State Office Bldg., 100 Cambridge St., Boston, Mass. 02202. Maryland Insurance Department, 301 West Preston St., Baltimore, Md. 21201.	Town Hall, Manchester, Mass. 01944	Do.
Do.	do	Dudley, town of.	H 25 027 0263 01 through H 25 027 0263 09	do	Chairman, Board of Selectmen, Town Hall, Dudley, Mass. 01570.	Do.
Do.	Hampden	Palmer, town of.	H 25 013 0990 01 through H 25 013 0990 03	do	Chairman, Planning Board, Town Hall, Palmer, Mass. 01069.	Do.
Do.	Worcester	Fitchburg, city of.	H 25 027 0350 01 through H 25 027 0350 08	do	Mayor, City Hall, Fitchburg, Mass. 01420.	Do.
Do.	do	Grafton, town of.	H 25 027 0436 01 through H 25 027 0436 04	do	Chairman, Board of Selectmen, Town Hall, Grafton, Mass. 01519.	Do.
Michigan	Clinton	Ovid, village of.	H 26 037 3760 01	Water Resources Commission, Bureau of Water Management, Stevens T. Mason Bldg., Lansing, Mich. 48926. Michigan Insurance Bureau, 111 North Hosmer St., Lansing, Mich. 48913.	Village Council, Ovid, Mich. 48866	Do.
Do.	Isabella	Mount Pleasant, city of.	H 26 073 3410 01 through H 26 073 3410 03	do	City Manager, Municipal Bldg., Mount Pleasant, Mich. 48858.	Do.
Minnesota	Cass	Pine River, village of.	H 27 021 5680 01	Division of Waters, Soils and Minerals, Department of Natural Resources, Centennial Office Bldg., St. Paul, Minn. 55101. Minnesota Division of Insurance, R-210 State Office Bldg., St. Paul, Minn. 55101.	Mayor, Pine River, Minn. 56474	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
*	*	*	*	*	*	*
Do.	Kandiyohi	New London, village of.	H 27 067 5120 01	do	Mayor, New London, Minn. 56273	Do.
Do.	Nicollet	Nicollet, village of	H 27 103 5210 01	do	Mayor, Village Hall, Nicollet, Minn. 56074.	Do.
Do.	Ramsey	Arden Hills, village of.	H 27 123 0215 01 through H 27 123 0215 03	do	Mayor, Village Office, 1450 West Highway 96, St. Paul, Minn. 55112.	Do.
Do.	Renville	Olivia, village of	H 27 129 5400 01	do	Mayor, Olivia, Minn. 56277.	Do.
Do.	St. Louis	Aurora, village of.	H 27 137 0280 01 through H 27 137 0280 02	do	Planning Commission, Village Hall, Aurora, Minn. 55705.	Do.
Do.	do	Proctor, village of	H 27 137 5780 01 through H 27 137 5780 02	do	Mayor, Village Hall, Proctor, Minn. 55810.	Do.
Do.	Yellow Medicine	Canby, city of	H 27 173 1040 01 through H 27 173 1040 02	do	Mayor, City Hall, Canby, Minn. 56220.	Do.
Missouri	St. Louis	Bel-Nor, village of.	H 28 189 0580 01 through H 28 189 0580 02	Water Resources Board, P.O. Box 271, Jefferson City, Mo. 65101. Division of Insurance, P.O. Box 690, Jefferson City, Mo. 65101.	Mayor, City Hall, 8416 Natural Bridge, Bel-Nor, Mo. 63121.	Do.
Do.	Bates	Butler, city of	H 29 013 1220 01 through H 29 013 1220 05	do	Mayor, City Hall, 101 North Lyons, Butler, Mo. 64730.	Do.
Do.	Carroll	Norborne, city of	H 29 033 5750 01	do	Mayor, City Hall, Norborne, Mo. 64668.	Do.
Do.	Clay	Excelsior Springs, city of.	H 29 047 2600 01 through H 29 047 2600 04	do	Community Bldg., City of Excelsior Springs, Excelsior Springs, Mo. 64024.	Do.
Do.	Greene	Republic, city of	H 29 077 6710 01 through H 29 077 6710 03	do	Mayor, City Hall, Republic, Mo. 65738.	Do.
Do.	Henry	Windsor, city of	H 29 083 8430 01 through H 29 083 8430 03	do	Mayor, City Hall, Windsor, Mo. 65360	Do.
Do.	Moniteau	California, city of	H 29 135 1280 01 through H 29 135 1280 02	do	Mayor, City Hall, California, Mo. 65018.	Do.
Do.	Monroe	Paris, city of	H 29 137 6070 01 through H 29 137 6070 02	do	City Hall, 124 West Caldwell St., Paris, Mo. 65275.	Do.
Do.	Morgan	Versailles, city of	H 29 141 8010 01 through H 29 141 8010 02	do	Mayor, City Hall, Versailles, Mo. 65084.	Do.
Do.	Ray	Orrick, city of	H 29 177 5950 01 through H 29 177 5950 02	do	Mayor, City Hall, Orrick, Mo. 64077	Do.
Do.	St. Louis	Clayton, city of	H 29 189 1690 01 through H 29 189 1690 02	do	City Hall, 10 North Bemiston, Clayton, Mo. 63105.	Do.
Do.	do	Hillsdale, village of.	H 29 189 3700 01	do	Mayor, City Hall, Hillsdale, Mo. 63121	Do.
Do.	do	Mary Ridge, village of.	H 29 189 5030 01	do	Mayor, City Hall, Mary Ridge, Mo. 63074.	Do.
Do.	do	Northwoods, city of.	H 29 189 5780 01 through H 29 189 5780 02	do	City Hall, 4600 Oakridge Blvd., Northwoods, Mo. 63121.	Do.
Do.	do	Pinelawn, city of	H 29 189 6290 01 through H 29 189 6290 02	do	Mayor, City Hall, Pinelawn, Mo. 63121.	Do.
Do.	do	Vinita Park, city of.	H 29 189 8040 01	do	Mayor, City Hall, Vinita Park, Mo. 63114.	Do.
Do.	do	Woodson Terrace, city of.	H 29 189 8480 01	do	Mayor, City Hall, Woodson Terrace, Mo. 63134.	Do.
Do.	Wright	Mansfield, city of	H 29 229 4890 01	do	Mayor, City Hall, Mansfield, Mo. 65704.	Do.
Do.	do	Mountain Grove, city of.	H 29 229 5480 01 through H 29 229 5480 02	do	Mayor, City Hall, Mountain Grove, Mo. 65711.	Do.
Montana	Lewis and Clark	East Helena, town of.	H 30 049 0380 01	Montana Department of Natural Resources and Conservation, Water Resources Division, Sam W. Mitchell Bldg., Helena, Mont. 59601. Montana Insurance Department, Capitol Bldg., Helena, Mont. 59601.	Mayor, 7 East Main, East Helena, Mont. 59635.	Do.
Do.	Valley	Nashua, town of	H 30 105 0850 01	do	Mayor, town of Nashua, Nashua, Mont. 59248.	Do.
Nebraska	Hall	Grand Island, city of.	H 31 079 2090 01 through H 31 079 2090 05	Nebraska Natural Resources Commission, P.O. Box 94725, State House Station, Lincoln, Nebr. 68509. Nebraska Insurance Department, 1335 "L" St., Lincoln, Nebr. 68509.	City Manager, City Hall, Grand Island, Nebr. 68801.	Do.
Do.	Hitchcock	Trenton, village of.	H 31 087 4880 01	do	Chairman, Board of Trustees, c/o Village Clerk, Trenton, Nebr. 69044.	Do.
Do.	Pierce	Pierce, city of	H 31 139 3880 01 through H 31 139 3880 01	do	Mayor, Pierce, Nebr. 68767	Do.
Do.	Scotts Bluff	Scottsbluff, city of	H 31 157 4340 01 through H 31 157 4340 02	do	Mayor, Scottsbluff City Hall, Scottsbluff, Nebr. 69361.	Do.
Do.	Sheridan	Gordon, city of	H 31 161 2050 01	do	City Manager, Gordon, Nebr. 69343	Do.
Do.	Sherman	Loup City, city of	H 31 163 2920 01 through H 31 163 2920 02	do	Mayor, Loup City, Nebr. 68853	Do.
Do.	Thurston	Winnebago, town of.	H 31 173 5260 01	do	Chairman of Village Council, Winnebago, Nebr. 68071.	Do.
Do.	Valley	Ord, town of	H 31 175 3660 01 through H 31 175 3660 02	do	Mayor, Ord, Nebr. 68862	Do.

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Do.	Webster	Red Cloud, city of.	H 31 181 4100 01	do	Mayor, City Hall, Red Cloud, Nebr. 68970.	Do.
New Hampshire.	Grafton	Campton, town of.	H 33 009 0033 01 through H 33 009 0033 09	Office of State Planning, Division of Community Planning, State House Annex, Concord, N.H. 03301. New Hampshire Insurance Department, 78 North Main St., Concord, N.H. 03301.	Chairman, Planning Board, Campton, N.H. 03223.	Do.
Do.	Hillsborough	Wilton, town of	H 33 011 0540 01 through H 33 011 0540 07	do	Selectmen, Wilton, N.H. 03086	Do.
Do.	Merrimack	Canterbury, town of.	H 33 013 0041 01 through H 33 013 0041 06	do	Selectmen, Canterbury, N.H. 03224	Do.
Do.	do	Chichester, town of.	H 33 013 0048 01 through H 33 013 0048 06	do	Selectmen, North Chichester, N.H.	Do.
Do.	do	Allenstown, town of.	H 33 013 0480 01 through H 33 013 0480 06	do	Selectmen, Allenstown, N.H.	Do.
Do.	Sullivan	Cornish, town of	H 33 019 0078 01 through H 33 019 0078 06	do	Chairman, Board of Selectmen, Cornish Flat, N.H. 03746.	Do.
New Jersey	Bergen	Mahwah, township of.	H 34 003 1796 01 through H 34 003 1796 04	Bureau of Water Control, Department of Environmental Protection, P.O. Box 1390, Trenton, N.J. 08625. New Jersey Department of Insurance, State House Annex, Trenton, N.J. 08625.	Township Engineer, 19 West Prespect St., Waldwick, N.J. 07463.	Do.
Do.	Burlington	Lumberton, borough of.	H 34 005 1774 01	do	Mayor, 29 North Main St., Lumberton, N.J. 08048.	Do.
Do.	Gloucester	Woolwich, township of.	H 34 015 3765 01 through H 34 015 3765 04	do	Mayor, Township of Woodwich, Swedesboro, N.J. 08085.	Do.
Do.	Middlesex	South River, borough of.	H 34 023 3170 01 through H 34 023 3170 06	do	Mayor, 61 Main Street, South River, N.J. 08882.	Do.
New York	Broome	Conklin, town of	H 34 007 1304 01 through H 34 007 1304 07	New York State Department of Environmental Conservation, Division of Resources, Management Services, Albany, N.Y. 12201. New York State Insurance Department, 123 William St., New York, N.Y. 10038, and Albany, N.Y. 12210.	Town Clerk's Office, Community Center, Conklin Rd., Conklin, N.Y. 13748.	Do.
Do.	do	Triangle, town of	H 36 007 6102 01 through H 36 007 6102 10	do	Town Supervisor, Town of Triangle, Whitney Point, N.Y. 13862.	Do.
Do.	do	Vestal, town of	H 36 007 6277 01 through H 36 007 6277 15	do	Town Supervisor, Town Hall, Vestal, N.Y. 13850.	Do.
Do.	Cortland	Cincinnatus, town of.	H 36 023 1168 01 through H 36 023 1168 06	do	Town Supervisor, Cincinnatus, N.Y. 13040.	Do.
Do.	do	Truxton, town of	H 36 023 6125 01 through H 36 023 6125 04	do	Town Supervisor, Town Hall, Truxton, N.Y. 13158.	Do.
Do.	Franklin	Malone, village of	H 36 033 3460 01	do	Village office, 14 Elm St., Malone, N.Y. 12953.	Do.
Do.	Genessee	Pembroke, town of.	H 36 037 4722 01 through H 36 037 4722 12	do	Chairman, Town Board, Town of Pembroke, Town Hall, Corfu, N.Y. 14036.	Do.
Do.	Herkimer	Danube, town of	H 36 043 1453 01 through H 36 043 1453 02	do	Town Supervisor, Town of Danube, Rural Delivery No. 3, Little Falls, N.Y. 13365.	Do.
Do.	do	Little Falls, township of.	H 36 043 3290 01 through H 36 043 3290 02	do	Town Supervisor, Rural Delivery No. 2, Town of Little Falls, Mohawk, N.Y. 13407.	Do.
Do.	Jefferson	Adams, village of.	H 36 045 0010 01	do	Mayor, City Hall, Village of Adams, Adams, N.Y. 13605.	Do.
Do.	do	Ellisburg, town of.	H 36 045 1841 01 through H 36 045 1841 11	do	Ellisburg Town Hall, Ellisburg, N.Y. 13661.	Do.
Do.	do	Watertown, town of.	H 36 045 6451 01 through H 36 045 6451 05	do	Supervisor, Town of Watertown, Watertown, N.Y. 13601.	Do.
Do.	Livingston	Conesus, town of	H 36 051 1298 01 through H 36 051 1298 11	do	Town Hall, Town of Conesus, Conesus, N.Y. 14435.	Do.
Do.	Monroe	Perinton, town of.	H 36 055 4742 01 through H 36 055 4742 11	do	Municipal Bldg., 31 South Main St., Fairport, N.Y. 14450.	Do.
Do.	Niagara	Wilson, village of	H 36 063 6730 01	do	Mayor, Village of Wilson, Wilson, N.Y. 14122.	Do.
Do.	Orange	Hamptonburg, town of.	H 36 071 2571 01 through H 36 071 2571 08	do	Supervisor, Town of Hamptonburg, Hulsetown Rd., Campbell Hall, N.Y. 10916.	Do.
Do.	Oswego	Constantia, town of.	H 36 075 1310 01 through H 36 075 1310 07	do	Town Supervisor, Town Hall, Constantia, N.Y. 13044.	Do.
Do.	Rensselaer	Troy, city of	H 36 083 6110 01 through H 36 083 6110 05	do	Troy City Building Department, City Hall, Troy, N.Y. 12180.	Do.
Do.	Saratoga	Corinth, village of.	H 36 091 1350 01	do	Mayor, c/o General Post Office, Corinth, N.Y. 12822.	Do.
Do.	do	Victory, village of.	H 36 091 6290 01	do	Mayor, Village Offices, c/o General Post Office, Victory, N.Y. 12884.	Do.
Do.	Orange	Windsor, town of	H 36 071 4130 01 through H 36 071 4130 03	do	Supervisor, Town Hall, 555 Union Ave., New Windsor, N.Y. 12550.	Do.
Do.	Saratoga	Mechanicville, city of.	H 36 091 3650 01	do	Mayor, City Hall, 36 North Main St., Mechanicville, N.Y. 12118.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do.	Wayne	Palmyra, town of	H 36 117 4641 01 through H 36 117 4641 04	do	Town Hall, 204 East Main St., Palmyra, N.Y. 14522.	Do.
North Carolina	Lincoln	Lincolnton, city of.	H 37 109 3660 01 through H 37 109 2660 02	North Carolina Office of Water and Air Resources, Department of Natural and Economic Resources, P.O. Box 27687, Raleigh, N.C. 27611. North Carolina Insurance Department, P.O. Box 26387, Raleigh, N.C. 27611.	Mayor, Lincolnton, N.C. 28092	Do.
North Dakota	Benson	Leeds, city of	H 38 005 1820 01	State Water Commission, State Office Bldg., 900 East Blvd., Bismarck, N. Dak. 58501. North Dakota Insurance Department, State Capitol, Bismarck, N. Dak. 58501.	Mayor, City Hall, Leeds, N. Dak. 58346.	Do.
Ohio	Adams	Manchester, village of.	H 39 001 4650 01 through H 39 001 4650 02	Ohio Department of Natural Resources, Fountain Square, Columbus, Ohio 43215. Ohio Insurance Department, 115 East Rich St., Columbus, Ohio 43215.	Mayor, Manchester, Ohio 45144	Do.
Do.	Ashtabula	Geneva-on-the Lake, village of.	H 39 007 2880 01 through H 39 007 2880 02	do	Mayor, City Hall, Geneva-on-the-Lake, Ohio 44043.	Do.
Do.	do	Rock Creek, village of.	H 39 007 7010 01	do	Mayor, City Hall, Rock Creek, Ohio 44084.	Do.
Do.	Champaign	North Lewisburg, village of.	H 39 021 5990 01	do	Mayor, City Bldg., North Lewisburg, Ohio 43060.	Do.
Do.	Clinton	Blanchester, village of.	H 39 027 0810 01 through H 39 027 0810 02	do	Mayor, City Bldg., Blanchester, Ohio 45107.	Do.
Do.	Columbiana	New Waterford, city of.	H 39 029 5870 01	do	Mayor, City Hall, New Waterford, Ohio 44445.	Do.
Do.	Cuyahoga	Euclid, city of	H 39 035 2520 01 through H 39 035 2520 05	do	Mayor, City Hall, 585 East 22d St., Euclid, Ohio 44123.	Do.
Do.	do	North Olmsted, city of.	H 39 035 6000 01 through H 39 035 6000 04	do	Mayor, Administration Office, 5206 Dover Center Rd., North Olmsted, Ohio 44140.	Do.
Do.	do	Pepper Pike, city of.	H 39 035 6470 01 through H 39 035 6470 02	do	Mayor, Village Hall, 28000 Shaker Blvd., Pepper Pike, Ohio 44124.	Do.
Do.	do	Solon, city of	H 39 035 7610 01 through H 39 035 7610 06	do	Mayor, Administration Office, 6315 SOM Center, Solon, Ohio 44139.	Do.
Do.	do	Solon, city of	H 39 035 7610 01 through H 39 035 7610 06	do	Mayor, Administration Office., 6315 SOM Center, Solon, Ohio 44139.	Do.
Do.	Darke	Ansonia, village of.	H 39 037 0210 01	do	Mayor, 108 West Weller, Ansonia, Ohio 45303.	Do.
Do.	do	Versailles, village of.	H 39 037 8430 01 through H 39 037 8430 02	do	Mayor, City Bldg., Versailles, Ohio 45380.	Do.
Do.	Erie	Berlin Heights, village of.	H 39 043 0740 01 through H 39 043 0740 02	do	Mayor, City Hall, Berlin Heights, Ohio 44814.	Do.
Do.	Highland	Leesburg, village of.	H 39 071 4130 01	do	Mayor, Municipal Bldg., Leesburg, Ohio 45135.	Do.
Do.	Knox	Fredericktown, village of.	H 39 083 2740 01	do	Mayor, Fredericktown, Ohio 43019	Do.
Do.	Logan	Russells Point, village of.	H 39 091 7150 01 through H 39 091 7150 02	do	Mayor, Municipal Bldg., Main St., Russells Point, Ohio 43348.	Do.
Do.	Lucas	Waterville, village of.	H 39 095 8590 01	do	Mayor, City Hall, Waterville, Ohio 43566.	Do.
Do.	Mahoning	Lowellville, village of.	H 39 099 4420 01	do	Mayor, City Hall, Lowellville, Ohio 44436.	Do.
Do.	do	Youngstown, city of.	H 39 099 9230 01 through H 39 099 9230 10	do	Chief Building Inspector, City Hall, Youngstown, Ohio 44503.	
Do.	Marion	Caledonia, village of.	H 39 101 1240 01	do	Mayor, City Hall, Caledonia, Ohio 43314.	Do.
Do.	Meigs	Racine, village of	H 39 105 6810 01	do	Mayor, 4th St., Racine, Ohio 45771	Do.
Do.	do	Syracuse, village of.	H 39 105 7990 01 through H 39 105 7990 02	do	Mayor, Second St., Syracuse, Ohio 45779.	Do.
Do.	Morgan	Malta, village of	H 39 115 4630 01	do	Mayor, Main St., Malta, Ohio 43758	Do.
Do.	Morrow	Mount Gilead, village of.	H 39 117 5360 01 through H 39 117 5360 02	do	Mayor, Municipal Bldg., Mount Gilead, Ohio 43338.	Do.
Do.	Pickaway	New Holland, village of.	H 39 129 5670 01	do	Mayor, City Bldg., New Holland, Ohio 43145.	Do.
Do.	Richland	Lucas, village of	H 39 139 4440 01	do	Mayor, City Hall, Lucas, Ohio 44843	Do.
Do.	do	Ontario, village of	H 39 139 619501 through H 39 139 6195 04	do	Mayor, City Bldg., Ontario, Ohio 44903.	Do.
Do.	Stark	East Sparta, village of.	H 39 151 2380 01	do	Mayor, City Hall, East Sparta, Ohio 44626.	Do.
Do.	Tuscarawas	Port Washington, village of.	H 39 157 6710 01	do	Mayor, City Hall, Port Washington, Ohio 43837.	Do.
Do.	do	Strasburg, village of.	H 39 157 7860 01 through H 39 157 7860 02	do	Mayor, City Hall, Strasburg, Ohio 44680.	Do.
Do.	do	Tuscarawas village of.	H 39 157 8200 01	do	Mayor, City Hall, Tuscarawas, Ohio 44682.	Do.
Do.	Washington	Belpre, city of	H 39 167 0680 01 through H 39 167 0680 02	do	Mayor, City Hall, Belpre, Ohio 45714	Do.
Do.	do	Beverly, village of	H 39 167 0780 01	do	Mayor, Beverly, Ohio 45715	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
*	*	*	*	*	*	*
Do.	do.	Lowell, village of.	H 39 167 4410 01	do.	Mayor, City Bldg., Lowell, Ohio 45744.	Do.
Do.	do.	New Matamoras, village of.	H 39 167 5730 01	do.	Mayor, City Bldg., New Matamoras, Ohio 45767.	Do.
Do.	Wayne.	Smithville, village of.	H 39 169 7600 01	do.	Mayor, City Hall, Smithville, Ohio 44677.	Do.
Do.	do.	West Salem, village of.	H 39 169 8870 01 through H 39 169 8870 02	do.	Mayor, City Hall, West Salem, Ohio 44287.	Do.
Oklahoma.	Custer.	Thomas, city of.	H 40 039 4720 01.	Oklahoma Water Resources Board, 2241 Northwest 40th St., Oklahoma City, Okla. 73112. Oklahoma Insurance Department, Room 408 Will Rogers Memorial Bldg., Oklahoma City, Okla. 73105.	City Manager, Thomas, Okla. 73669.	Do.
Do.	La Flore.	Talihina, town of.	H 40 079 4620 01	do.	Mayor, City Hall, Talihina, Okla. 74571.	Do.
Do.	Seminole.	Konawa, city of.	H 40 133 2650 01	do.	City Manager, City Hall, Konawa, Okla. 74849.	Do.
Do.	Sequoyah.	Sallisaw, city of.	H 40 135 4160 01 through H 40 135 4160 05	do.	City Hall, 111 North Elm St., Sallisaw, Okla. 74955.	Do.
Oregon.	Clackamas.	Gladstone, city of.	H 41 005 0800 01 through H 41 005 0800 02	Executive Department, State of Oregon, Salem, Oreg. 97310. Oregon Insurance Division, Department of Commerce, 158 12th St. NE., Salem, Oreg. 97310.	Gladstone City Hall, 535 Portland Ave., Gladstone, Oreg. 97027.	Do.
Do.	do.	Milwaukie, city of.	H 41 005 1360 01 through H 41 005 1360 04	do.	Milwaukie City Hall, 926 Main St., Milwaukie, Oreg.	Do.
Do.	Douglas.	Drain, city of.	H 41 019 0530 01	do.	Mayor, City Hall, Drain, Oreg. 97435.	Do.
Do.	do.	Yoncalla, city of.	H 41 019 2280 01	do.	Mayor, City Hall, Yoncalla, Oreg. 97499.	Do.
Do.	Umatilla.	Hermiston, city of	H 41 059 0990 01	do.	Mayor, City Hall, 735 Diagonal Bldg., Hermiston, Oreg. 97838.	Do.
Pennsylvania.	Armstrong.	North Buffalo, township of.	H 42 005 6045 01 through H 42 005 6045 03	Department of Community Affairs, Commonwealth of Pennsylvania, Harrisburg, Pa. 17120. Pennsylvania Insurance Department, 108 Finance Bldg., Harrisburg, Pa. 17120.	Township Supervisors, Secretary, Township of North Buffalo, Rural Delivery 4, Kittanning, Pa 16201.	Do.
Do.	Beaver.	Economy, borough of.	H 42 007 2388 01 through H 42 007 2388 05	do.	Mayor, Muncipal Bldg., Conway-Wallace Rd., Borough of Economy, Conway, Pa. 15027.	Do.
Do.	Berks.	Roberson, township of.	H 42 011 7086 01 through H 42 011 7086 10	do.	Roberson Township, Police Station, Gibraltar, Pa. 19524.	Do.
Do.	Bucks.	Bensalem, township of.	H 42 017 1692 01 through H 42 017 1692 06	do.	Township Manager, Bensalem, township of, 3800 Hulmeville Rd., Cornwells Heights, Pa. 19020.	Do. Do.
Do.	Carbon.	Jim Thorpe, borough of.	H 42 025 3995 01 through H 42 025 3995 05	do.	Jim Thorpe Municipal Bldg., 173 West Broadway, Jim Thorpe, Pa 18229.	Do.
Do.	Columbia.	Montour, township of.	H 42 037 5449 01 through H 42 037 5449 04	do.	Office of the Township, Secretary, Rural Delivery No. 2, Bloomsburg, Pa. 17815.	Do.
Do.	Dauphin.	Harrisburg, city of.	H 42 043 3500 01 through H 42 043 3500 05	do.	Mayor, City of Harrisburg, Harrisburg, Pa. 17101.	Do.
Do.	Juniata.	Turbett, Township of.	H 42 067 6760 01 through H 42 067 6760 04	do.	Secretary, Township Supervisors, Rural Delivery No. 1, Port Royal, Pa. 17082.	Do.
Do.	Luzerne.	Ashley, borough of.	H 42 079 0250 01 through H 42 079 0250 02	do.	Mayor, Boro Bldg., Ashley, Pa. 18706.	Do.
Do.	Wyoming.	South Williamsport, borough of.	H 42 081 7980 01.	do.	Borough Bldg., Borough of South Williamsport, 331 West Southern Ave., South Williamsport, Pa.	Do.
Do.	McKean.	Bradford, city of.	H 42 083 0840 01 through H 42 083 0840 04	do.	Mayor, Bradford, Pa. 16701.	Do.
Do.	Northampton.	Northampton, borough of.	H 42 095 6010 01 through H 42 095 6010 02	do.	Borough of Northampton, Municipal Bldg., 1516 Main St., Northampton, Pa. 18067.	Do.
Do.	Pike.	Milford, borough of.	H 42 103 5210 01 through H 42 103 5210 02	do.	Mayor, Boro of Milford, Milford, Pa. 18337.	Do.
Do.	Snyder.	McClure, borough of.	H 42 109 4675 01 through H 42 109 4675 02	do.	Mayor, McClure, Pa. 17841.	Do.
Do.	Venango.	Polk, borough of.	H 42 121 6690 01 through H 42 121 6690 02	do.	Borough Council, Secretary, Polk, Pa. 16342.	Do
Do.	Westmoreland.	East Vandergrift, borough of.	H 42 129 2360 01.	do.	Mayor, 338 McKinley Ave., East Vandergrift, Pa. 15629.	Do.
Tennessee.	McNairy.	Selmer, town of.	H 47 109 2160 01 through H 47 109 2160 02	Tennessee State Planning Office, 660 Captiol Hill Bldg., Nashville, Tenn. 37219. Tennessee department of Insurance, and Banking, 114 State Office Bldg., Nashville, Tenn. 37219.	Mayor, City Hall, Selmer, Tenn. 38375.	Do.
Texas.	Bastrop.	Smithville, city of.	H 48 021 6430 01 through H 48 021 6430 02	Texas Water Development Board, P.O. Box 13087, Capitol Station, Austin, Tex. 78711. Texas Insurance Department, 1110 San Jacinto St., Austin, Tex. 78701.	Mayor, City Hall, Smithville, Tex. 78957.	Do.
Do.	Bexar.	San Antonio, city of.	H 48 029 6090 01 through H 48 029 6090 39	do.	Office of the Drainage Engineer, Engineering Department, P.O. Box 9066, San Antonio, Tex. 78205.	Do.
Do.	Comanche.	DeLeon, city of.	H 48 093 1810 01.	do.	Mayor, 107 Texas St., DeLeon, Tex. 76444.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do.	Coryell	Copperas Cove, city of.	H 48 099 1540 01 through H 48 099 1540 02	do	Mayor, Copperas Cove, Tex. 76552	Do.
Do.	do	Gatesville, city of.	H 48 099 2610 01 through H 48 099 2610 02	do	Mayor, Gatesville, Tex. 76528	Do.
Do.	Lavaca	Moulton, town of.	H 48 285 4720 01	do	Mayor, City Hall, Moulton, Tex. 77975.	Do.
Do.	Harris	Jersey Village, city of.	H 48 201 3505 01 through H 48 201 3505 04	do	Mayor, City of Jersey Village, P.O. Box 40341, Houston, Tex. 77040.	Do.
Do.	Wichita	Iowa Park, city of.	H 48 485 3390 01 through H 48 485 3390 03	do	Mayor, P.O. Box 216, Iowa Park, Tex. 76367.	Do.
Utah	Weber	South Ogden, city of.	H 49 057 1810 01 through H 49 057 1810 02	Department of Natural Resources, Division of Water Resources, State Capitol Bldg., Room 435, Salt Lake City, Utah 84114. Utah Insurance Department, 115 State Capitol, Salt Lake City, Utah 84114.	Mayor, 529 39th St., Ogden, Utah 84403.	Do.
Vermont	Franklin	Enosburg Falls, village of.	H 50 011 0190 01 through H 50 011 0190 04	Management and Engineering Division, Water Resources, Department, State Office Bldg., Montpelier, Vt. 05602. Vermont Insurance Department, State Office Bldg., Montpelier, Vt. 05602.	Chairman, Enosburg Falls Board of Trustees, Enosburg Falls, Vt. 05450.	Do.
Do.	Lamoille	Johnson, village of.	H 50 015 0290 01 through H 50 015 0290 02	do	Chairman, Johnson Board of Trustees, Johnson, Vt. 05656.	Do.
Virginia	Page	Luray, town of.	H 51 139 1480 01	Bureau of Water Control Management, State Water Control Board, 2d Floor Davenport Bldg., 11 South 10 St., Richmond, Va. 23219. Virginia Insurance Department, 200 Blanton Bldg., P.O. Box 1157, Richmond, Va. 23209.	Town Manager, Luray, Va. 22835.	Do.
Do.	Prince Edward	Farmville, town of.	H 51 147 0950 01 through H 51 147 0950 02	do	Town of Farmville, Municipal Bldg., 116 North Main St., Farmville, Va. 23901.	Do.
Washington	Chelan	Cashmere, town of.	H 53 007 0270 01	Department of Ecology, Olympia, Wash. 98501. Washington Insurance Department, Insurance Bldg., Olympia, Wash. 98501.	Mayor, City Hall, 101 Woodring, Cashmere, Wash. 98815.	Do.
Do.	Grant	Moses Lake, city of.	H 53 025 1390 01 through H 53 025 1390 04	do	Mayor, City Hall, Moses Lake, Wash. 98837.	Do.
Do.	Spokane	Deer Park, city of.	H 53 063 0530 01	do	Mayor, City Hall, Deer Park, Wash. 99006.	Do.
Do.	Whitman	Colfax, city of.	H 53 075 0380 01 through H 53 075 0380 02	do	Mayor, City Hall, Colfax, Wash. 99111.	Do.
West Virginia	Gilmer	Glenville, town of.	H 54 021 1050 01 through H 54 021 1050 03	Office of Federal-State Relations, Room West 115, Capitol Bldg., Charleston, W. Va. 25305. West Virginia Insurance Department, State Capitol, Charleston, W. Va. 25305.	County Court of Gilmer County, Glenville, W. Va. 26351.	Do.
Do.	Harrison	Shinnston, city of.	H 54 033 2430 01	do	Mayor, City Building, Shinnston, W. Va. 26431.	Do.
Do.	Lewis	Weston, city of.	H 54 041 2790 01	do	Mayor, City Bldg., Weston, W. Va. 26452.	Do.
Do.	Marshall	Benwood, city of.	H 54 051 0200 01	do	Mayor, Benwood City Bldg., Benwood, W. Va. 26031.	Do.
Do.	Putman	Hurrican, village of.	H 54 079 1280 01 through H 54 079 1280 02	do	Mayor, Village of Hurricane, City Hall, Hurricane, W. Va. 25526.	Do.
Do.	Wirt	Elizabeth, town of.	H 54 105 0780 01 through H 54 105 0780 02	do	Mayor, Town of Elizabeth, W. Va. 26143.	Do.
Wisconsin	Columbia	Fall River, village of.	H 55 021 1690 01	Department of Natural Resources, P.O. Box 450, Madison, Wis. 53701. Wisconsin Insurance Department, 212 North Bassett St., Madison, Wis. 53703.	Village President, Fall River, Wis. 53932.	Do.
Wyoming	Albany	Laramie, city of.	H 56 001 0470 01 through H 56 001 0470 04	Wyoming Disaster and Civil Defense Agency, P.O. Box 1709, Cheyenne, Wyo. 82001. Department of Insurance, State of Wyoming, State Office Bldg., Cheyenne, Wyo. 82001.	City Council, Laramie, Wyo. 82070	Do.
Do.	Johnson	Buffalo, town of.	H 56 019 0060 01	do	Mayor, Buffalo, Wyo. 82834	Do.
Do.	Sublette	Pinedale, town of.	H 56 035 0650 01	do	Mayor, Pinedale, Wyo. 82941	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 29, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74–8001 Filed 4–10–74;8:45 am]

Title 23—Highways

CHAPTER II—HIGHWAY SAFETY PROGRAM STANDARDS, DEPARTMENT OF TRANSPORTATION

PART 1213—INCENTIVE GRANT CRITERIA FOR STATE SAFETY BELT USE LAWS

Federal Grants to States

This notice amends title 23, Code of Federal Regulations, by adding a new Part 1213 that specifies incentive grant criteria for State safety belt use laws. Proposed criteria were published November 28, 1973, 38 FR 32818, with a 45-day comment period. In keeping with the procedures followed in the development under 23 U.S.C. 402 of the highway safety program standards (23 CFR 204.4), the proposed criteria were directly distributed to numerous public officials in each State and to private highway safety organizations. Copies were also sent to the Advisory Commission on Intergovernmental Relations for circulation to various organizations of State and local public officials. All comments received to date have been carefully considered and some are discussed below.

Safety belt use requirements. The principal aspect of the proposed criteria was the three levels of increasingly comprehensive safety belt use requirements and the corresponding increasingly higher incentive grants. Enactment of a law requiring the use of front seat lap safety belts would have made a State eligible for a grant of 10 percent of its apportionment under 23 U.S.C. 402 for the fiscal year of enactment. A State would have received a grant of 15 percent for requiring either all front seat occupants to use all available safety belts, including shoulder safety belts or, all front and rear seat occupants to use lap safety belts. A grant of 25 percent would have been made to a State requiring all occupants to use all available safety belts.

A number of commenters, including the chairman of the incentive program committee of the Governors' Highway Safety Representatives, said that having three levels of use requirements made the criteria too complex. The different levels of use requirements and corresponding grants have been retained because safety belt use laws are a novel, important subject on which State experimentation should be encouraged. The criteria will give due recognition to the States that immediately require use of all available safety belts as well as to the States that take the gradual approach of enacting increasingly more comprehensive use requirements over a several year period. The ascending scale of grants is anticipated to encourage all of the States ultimately to enact essentially uniform laws requiring all occupants to use all available safety belts.

The three levels of safety belt use requirements and the corresponding 10, 15, and 25 percent grants are the same as those originally proposed, with one exception. Grants of 15 percent will not be given for a law requiring all front seat occupants to use all available safety belts. Such grants will be given only for requiring all front and rear seat occupants to use lap safety belts.

Several commenters urged that the use requirement for a 10 percent grant be reduced to requiring only driver use of lap saftey belts. Their recommendation was based on a belief that such a requirement is all that would be enacted by some States. They also pointed out that drivers account for a substantial portion of the annual motor vehicle occupant deaths. NHTSA has decided that the use requirement should continue to apply to both drivers and front seat passengers for several reasons. While the criteria specify minimum requirements only, NHTSA believes that the life saving potential of the use requirements for 10 percent grants should not be reduced. Further, all State safety belt use bills that have been furnished NHTSA thus far would require at least all front seat occupants to use lap safety belts.

The single use requirement for 15 percent grants reflects several considerations. The alternative requirement relating to use of all available safety belts by all front seat occupants was deleted to simplify the criteria and to ensure that the difference in the life saving potentials of the use requirements for the 15 and 25 percent grants is approximately commensurate with the difference in the amount of the grants.

To aid the States in analyzing the merits of safety belt use laws conforming with the various levels of use requirements, the Louisiana Governor's Highway Safety Representative urged that data be provided on the life saving potential of each level of requirements. Safety belt use already saves approximatey 3,000 lives annually. The additional lives that could be saved by full compliance with the various combinations of use requirements are set forth below.

TABLE I.—*Additional lives saved annually by use of all available safety belts*[1]

	By front seat occupants only	By all occupants
Lap safety belts only: 100 percent use	11,800	12,900
Lap and shoulder safety belts: 100 percent use	13,900	14,900

The figures in the above table are based on the life saving potential for lap and lap and shoulder safety belts that have been firmly documented to date. There is reason for believing that the actual life saving potential for lap and shoulder safety belts is higher than the figures suggest. Further, shoulder safety belts also contribute substantially to reducing the severity of, or avoiding altogether, certain types of injuries, such as those to the brain, eyes, mouth, jaw and neck.

The most frequent subject of comment concerned the use of occupant restraints by children under 6 years of age. Although NHTSA urged that safety belt use requirements be applied to persons of all ages, the proposed criteria would not have required use by children under 6 years of age. Many commenters said that the lap safety belt use requirement should apply to all children 4 years of age or older and over 40 pounds. The position of the commenters turned solely on the question of when lap safety belt use becomes physically feasible for a young child. The proposed lower limit of 6 years turned on several additional factors. Consideration was given to the various possible indices, such as weight, standing height, sitting height, and age, that might be used singly or in combination to describe the children subject to the use requirement. Age was picked as the simplest single index for drivers to apply. The choice of age necessitated the picking of an age old enough to ensure that almost all children of that age are physically capable of using a lap safety belt. Choice of a lower age would have substantially increased the number of children whose exemption would have been necessary for reason of being undersized.

NHTSA has decided to change the lower limit for lap safety belt use from 6 years to 4 years and 40 pounds. The additional and easily determined index of weight will not significantly complicate the task of determining which young children must use lap safety belts. More importantly, the new lower limit will increase the number of children protected from death or maiming in vehicle crashes.

A number of commenters, including the American Academy of Pediatrics, Consumers' Union, Physicians for Automotive Safety, and Public Interest Research Group, urged that there be no minimum age or weight for the persons subject to the safety belt use requirements. Their argument was that since infants and very young children were incapable of rationally deciding for themselves whether they should use a restraint system, the driver of a vehicle carrying such people should be required to ensure that they are using either a lap belted child seating system conforming with Federal Motor Vehicle Safety Standard 213 or lap safety belt alone, as appropriate.

This comment raised the related issue of whether a driver should be held responsible for safety belt use by another person, especially a young one. Under the proposed criteria, drivers would have been responsible for lap safety belt use by persons aged 6 to 15 years. The Massachusetts Governor's Highway Safety Bureau and the New Jersey Office of Highway Safety objected to this approach on the ground that responsibility is usually assigned to the person who commits a proscribed act.

NHTSA still believes that making the driver responsible for safety restraint use by young children is preferable to making the children themselves responsible. There is little practical likelihood that an 8 or 10 year old child would be fined for nonuse of his safety belt under a law holding everyone individually responsible for his own safety belt use. However, there is strong reason to believe that a driver would be held accountable under a law conforming with the

proposed criteria for his failure to protect a child too young to appreciate fully the necessity for protecting himself or even to use a restraint system properly.

Nevertheless, NHTSA believes that the States should have flexibility in their legislative and enforcement activity. It may be that the States that make young children individually responsible for their nonuse of safety belts will devise an effective way of securing their compliance. Accordingly, this notice provides only that in order to qualify for a grant, a State must require that children 4 years of age or older and 40 pounds or more in weight use lap safety belts. Whether responsibility for such use is assigned to the children solely, to the driver solely, or to the children and driver jointly is a matter left to the discretion of the States.

Due to the cost of infant and child seating systems, and the decision to let the States determine how to assign responsibility for nonuse of safety belts, NHTSA has further decided not to require occupant restraint use by infants and children less than 4 years old and 40 pounds as a minimum requirement for an incentive grant at this time. It is clear, however, that a safety belt use law drafted to maximize the saving of lives should include such a requirement. For this reason, NHTSA's July 15, 1973, model safety belt use law provided for use of occupant restraints by all persons, regardless of age. The new NHTSA model law, which is discussed at the end of this preamble, contains a similar provision. NHTSA strongly urges the States, after satisfying the criteria, to amend their safety belt use laws to require occupant restraint use by all children.

As originally proposed, the shoulder safety belt use requirement would not have applied to any passenger less than 16 years of age. Like the proposed lower age limit for lap safety belt use, the limit of 16 years was picked since that was thought to be the first age at which almost all children are physically capable of using a shoulder safety belt. The data on which that limit was based was incorrect. The new data, plus the decision to use standing height as well as age as indices, dictate that the lower limit for shoulder safety belt use be 12 years of age or older and 55 inches or more in height.

The Recreational Vehicle Institute urged that the concepts of "operating" and "riding in" a motor vehicle be clarified. The definition of "operating", as set forth in statutory and case law, varies somewhat from State to State. NHTSA has added a broad definition of this term which includes moving forward or backward, stopped in traffic, and standing with engine running. As an aid to law enforcement officers, the term also includes the interval between the time that an officer signals a motorist to pull his vehicle over to the curb or shoulder and the time that the officer requests the stopped motorist to show his identification or to exit from his vehicle. This added scope to the term will preclude circumvention of a safety belt use law by motorists attempting to argue that they had been wearing their safety belts up to the time that they had pulled over and stopped. The term "riding in" should be co-extensive with "operating". It should be emphasized that the criteria apply only to the operation of, and riding in, a motor vehicle on a highway. The criteria do not apply to vehicles on a parking lot or in a private driveway. However, a fully comprehensive safety belt use law should apply anywhere within a State.

Amount and number of incentive grants. The Florida Department of Transportation suggested that Congress will not appropriate the funds necessary for awarding the incentive grants. NHTSA believes that there are no grounds for this suggestion. The President's Budget for fiscal year 1975 reflects an estimated obligation of $9,000,000 in fiscal year 1974 to cover grants made in that year. Further, the Budget provides for seeking the appropriation of the full $32,000,000 authorized by the 1973 Highway Safety Act for the implementation of the safety belt incentive program in fiscal year 1975. To emphasize the importance of the incentive program, the President expressly mentioned these funds in his February 9, 1974, radio address on his transportation initiatives.

The Hawaii Department of Transportation stated that the base for determining the amount of a grant to a particular State should be that State's apportionment under sections 402 and 405 (the safer roads demonstration program), instead of section 402 alone, as proposed. Although section 402(j)(3) permits the amount of a grant to be based on a State's apportionment under both sections, NHTSA has decided to use section 402 only so as to increase the number of States able to participate in the incentive program. The propriety of this decision was affirmed in a December 21, 1973, letter from the Chairman of the House Public Works Committee to the NHTSA Administrator.

Concern was expressed by the New York Interdepartmental Safety Committee that a State that enacted a fully comprehensive safety belt use law in the first year of the incentive program would receive less incentive funds than a State that enacted such a law piecemeal, year by year. Section 1213.5 has been changed to clarify this matter. The former type of State will receive three 25 percent incentive grants, one for each of the incentive program's three years, if its law continues to comply with the 25 percent grant criteria and exemptions do not unreasonably dilute the law's life saving and injury preventing potential. Such a State would be in a far better position than the latter type of State which might receive a 10 percent grant for the first year, a 15 percent grant for the second, and a 25 percent grant for the third.

The New York Committee also urged that no grant be given to a State in the fiscal year of its enactment of a safety belt use law if the law's effective date were set more than a year in the future. NHTSA agrees. Some interval is obviously necessary between the enactment and effective dates to give State agencies an opportunity to inform the public fully about the law and to give vehicle owners a chance to do such things as replace, with similar or better safety belts, the safety belts that had been installed at the time of the vehicle's manufacture but subsequently removed. However, an excessively long interval is inconsistent with section 402(j)(1)'s goal of making immediate, substantial reductions of highway deaths and injuries. Accordingly, the final criteria provide that an incentive grant will be awarded for the fiscal year of enactment if the interval between the enactment and effective dates is not greater than 6 months. An enacting State will also receive a grant in the year of enactment, even though the interval is greater than 6 months, if it is not greater than 12 months and the State can demonstrate that the additional time is necessary for implementation activities such as safety belt use surveys, campaigns to inform the public about the value of safety belts and the law, or safety belt replacement by vehicle owners. If the interval is 6 to 12 months and the State can not demonstrate its necessity, or if the interval is greater than 12 months, the State will receive its first grant for the fiscal year following the fiscal year of enactment or for the fiscal year in which the law becomes effective, whichever is later.

Safety belt installation and maintenance. As proposed, § 1213.5 contained a variety of provisions designed to ensure that certain vehicles are equipped with adequate safety belts ready for use. For the reasons stated below, several of these provisions have been deleted. The requirement that vehicle seating positions be equipped with the same number of safety belts originally required by Federal law substantially duplicated the prohibition against the operation of a vehicle having fewer than the number of safety belts originally required by Federal law. Further, the requirement, unlike the prohibition, did not specify the person to be held responsible for the absence of the required safety belts. Accordingly, the seating position requirement has been deleted.

Another proposed provision was a prohibition against sale of safety belts that did not conform with State or Federal regulations. Since the National Traffic and Motor Vehicle Safety Act already prohibits the manufacture or sale of safety belts that do not conform with Federal Motor Vehicle Safety Standard 209, the prohibition has been deleted.

The other deleted provision was a prohibition against the operation of a vehicle with safety belts that were not in good working condition and readily usable. As was stated by one commenter, the standards of conduct stated in the prohibition were somewhat imprecise. Since the imprecision would create difficulties in enforcement, NHTSA has decided not to include the prohibition in the final criteria.

The Louisiana Governor's Highway Safety Representative suggested that the prohibition against operating a vehicle lacking the same number of safety belts originally required by Federal law might be an ex post facto law. NHTSA disagrees. The prohibition punishes the present operation of a vehicle by a person who has failed first to replace the necessary safety belts. It does not punish the prior removal of the belts. Accordingly, the prohibition is prospective only and cannot, therefore, be an ex post facto law.

Exemptions from safety belt use requirements. As proposed, the exemption section was placed among the optional provisions. The Maryland Governor's Highway Safety Coordinator, a member of the incentive program committee of the Governor's Highway Safety Representatives, urged that the exemption section be made one of the requirements for receipt of an incentive grant. NHTSA has adopted this suggestion since a State wishing to ensure that its safety belt use law is not voided for being overly broad, that is, for requiring safety belt use by the few persons for whom use is not suitable, should include exemption authority in its law.

The exemption provisions have been broadened to permit the exemption of a person who has a pathological fear of being unable to exit from a crashed vehicle due to his being restrained by safety belts.

Penalties. The preamble to the proposed criteria requested comments on an appropriate upper limit to the fine requirements. The few comments received on this point agreed with NHTSA's suggestion that the fine be a minor one. The proposed criteria provided a separate penalty for violation of safety belt installation and maintenance requirements. Research reveals that existing penalties for such violations range from a minor flat fine to a fine of several hundred dollars for multiple offenses.

The final criteria specify a fine of not less than $10.00 and not more than $35.00 for the violation of any safety belt use requirement and a fine of not less than $10.00 for the violation of any safety belt installation and maintenance requirement. The establishment of an appropriate upper limit to the latter fine is left to the discretion of the States.

NHTSA repeats its recommendation in the preamble of the notice of proposed rulemaking that States not authorize jail sentences for safety belt use violations. Such sanctions are unnecessary and inappropriate.

Relationship of incentive programs for safety belt use laws and for reduction of State highway fatality rates. The Hawaii Department of Transportation requested an explanation of the relationship between the safety belt incentive program in section 402(j)(1) and the fatality rate reduction incentive program in section 402(j)(2). The eligibility of States to participate in the safety belt program turns primarily upon the enactment of safety belt use laws meeting the criteria established by this notice. A secondary consideration is the extent to which the exemptions made by a State detract from the death and injury preventing potential of a safety belt use law. While NHTSA hopes that the effective date of such a law will be preceded by a State campaign to inform the public about the law and is followed by an effective enforcement effort, such activities do not affect a State's eligibility for a safety belt incentive grant.

The public information campaign and enforcement efforts would, however, bear indirectly on the State's eligibility for a fatality rate reduction incentive grant. Any activity that would aid a State in reducing its highway fatalities would also increase the State's chances of receiving a fatality rate reduction incentive grant.

Constitutionality. A number of commenters objected to the safety belt incentive program in its entirety on constitutional grounds. They claimed generally, without presenting any arguments based on case law, that a State safety belt use law would unconstitutionally: (1) limit their freedom of choice; (2) invade their privacy; or (3) limit an asserted right to risk their own life and limb.

Assessing the merits of a safety belt use law requires careful balancing of the public interest benefits of the law against any limitation which the law would place on personal liberty. The 14th Amendment to the U.S. Constitution provides that no State shall deprive any person of his liberty without due process. This means that a State may not enact laws that unreasonably or arbitrarily limit personal liberty.

However, a corollary of this principle is that the due process clause permits a State to enact reasonable laws that promote the public interest, even if they incidentally limit personal liberty. As the U.S. Supreme Court has said, the liberty protected by the due process clause is not an absolute, uncontrollable liberty. Real liberty for all persons cannot exist if individual persons may act or use their property regardless of the injuries caused to other persons. The liberty protected by the due process clause is the liberty in our interdependent society which requires protection of the public interest, that is, public health, safety, morals, and welfare.

The States have enacted a wide variety of public interest laws that limit personal liberty, including many that promote personal, as well as public, safety and welfare. Examples include anti-jaywalking laws, laws requiring workers to use safety equipment as a condition to receiving workmen's compensation, compulsory vaccination laws, laws requiring hunters to wear red jackets, laws prohibiting smoking in certain public places, laws requiring young children and nonswimmers to use life preservers, and motorcycle helmet use laws.

The arguments of the commenters are identical to the objections raised by some motorcyclists several years ago in court challenges to State motorcycle helmet use laws. The challenges reached the highest State court in 26 States. In 25 of the States, the laws were upheld. Applications for certiorari or appeals were taken from these and other State court decisions and one Federal district court decision to the U.S. Supreme Court five times. The Supreme Court denied certiorari three times and dismissed an appeal in a fourth case for want of a substantial Federal question. In the fifth case, the Supreme Court affirmed the decision of the Federal District Court in Massachusetts upholding that State's motorcycle helmet use law. The decisions generally conceded that the laws had the effect of requiring people to protect themselves and limited some constitutionally-protected personal liberties. However, the courts concluded that, notwithstanding these findings, the laws satisfied due process because they also reasonably promoted public safety and welfare.

Helmet use by a motorcycle operator was found to promote public safety by helping prevent him from losing control and colliding with other highway users when his head was struck by road debris thrown up by other vehicles or struck by the same type of flying insects that obscure vehicle windshields. Helmet use by motorcycle operators was found to promote public welfare by reducing highway deaths and injuries and thereby reducing public expenditures, including unemployment compensation and welfare payments, that must be made to crash victims and their dependents.

Due to the similarity between motorcycle helmet and safety belt use laws, the courts are likely to uphold safety belt use laws also. A State safety belt use law too would promote personal, as well as public, safety and welfare. Safety belt use by a driver helps prevent collisions with pedestrians or other vehicles by helping the driver to remain behind his steering wheel and in control of his vehicle during initial collisions that do not stop his vehicle, and during emergency evasive maneuvers. Belt use by a vehicle occupant helps prevent him from being hurled into fellow occupants during a crash and injuring them, possibly fatally. Documentation for these public safety benefits was cited in the preamble of the notice of proposed rulemaking.

Safety belt use would promote public welfare in the same manner as motorcycle helmet use laws do. However, the public welfare benefits of safety belt use laws would exceed those of motorcycle helmet use laws. Requirements by all States for the use of all available safety belts could prevent up to 15,000 of the annual 40,000 vehicle occupant deaths, while helmet use laws have the potential for impacting the 2,600 annual motorcyclist deaths.

Some courts may wish to inquire further and determine whether the public safety and welfare benefits of a safety belt use law outweigh the limitation on

any fundamental, constitutionally-protected personal liberties. It is dubious whether the claimed right to assume risks has any protection under the due process clause, at least with respect to public places where other persons could be endangered by the risk taking. In one of the leading motorcycle helmet use law decisions, the Wisconsin Supreme Court said,

> There is in the law no sanction for self-destruction, and certainly there is no right on the part of anyone to use the public highways for risking or courting or seeking such self-destruction. Protection of the safety of all users of the highway even against the consequences of their own actions is a legitimate use of the police powers of the State.

There is also some question as to whether the due process clause protects a general freedom of choice unconnected with a specific, constitutionally-recognized liberty. However, the right of privacy is clearly protected by the clause and has been treated as a fundamental liberty. According to the U.S. Supreme Court's 1973 abortion decisions and the review of case law therein, the right extends to activities relating to marriage, procreation, contraception, family relationships, child rearing and education, and abortion. It is difficult to understand, though, what relation the right to privacy might have to the use or nonuse of safety belts. Unlike the existing categories of activities protected by the right of privacy, the opportunity to decide whether to avail oneself of the life-saving capabilities of safety belts would seemingly not contribute in any important way to the mental and emotional maturity or physical well-being of individual persons.

Even if the right of privacy were stretched to include the safety belt use decision, the right to make that decision would be no more absolute than a woman's abortion decision has been held to be. The right of a person to make either decision is subject to reasonable limitation pursuant to a State's duty to protect the public interest.

NHTSA has drafted a legal memorandum, containing case law and scientific journal citations, that explores the due process question at length. Interested persons may obtain, without charge, a copy of the memorandum by writing to:

> Safety Belts, Traffic Safety Programs, National Highway Traffic Safety Administration, Room 4107, 400 Seventh Street NW., Washington, D.C. 20590.

Another index of the soundness of State safety belt legislation is the number of countries with Western legal traditions that have enacted or are seriously considering such legislation. Since the issuance of the proposed criteria, two major Western European countries have joined the list of countries considering safety belt use legislation. The Road Traffic Bill before the British House of Commons contains a provision that would authorize the issuance of safety belt use regulations. The West German government may seek safety belt use legislation this year. Other countries considering such legislation include Belgium, Denmark, Finland, the Netherlands, Norway, Sweden, and Switzerland. Legislation has already been enacted in Australia, Czechoslovakia, France, Israel, and New Zealand.

One of the jurisdictions subject to the Highway Safety Act, Puerto Rico, enacted a safety belt use law last year. Although no State has enacted such a law, legislation was introduced last year in nearly half of the State legislatures and passed by one house of the Maryland, New Jersey, and New York legislatures. This year, legislation is likely to be introduced in two-thirds of the legislatures. The upper house of the Minnesota legislature has already adopted a safety belt use bill.

In a December 27, 1973, letter to Professor Ronald Cohen of the McGill University Law School, NHTSA stated that the proposed criteria for a 25 percent incentive grant differed slightly from the model safety belt use law prepared by NHTSA in July 1973. The letter continued to say that a new model law would be prepared in conjunction with the issuance of the final incentive criteria. A copy of this letter is in the public docket for this rulemaking.

The new model law is being prepared and will be available soon to persons writing to the same address provided above for obtaining the due process memorandum.

The new model law's purpose differs from that of the final criteria for a 25 percent incentive grants in two important ways. First, while the criteria specify *minimum* requirements for the death and injury preventing potential of safety belt use laws, the model law contains provisions intended to *maximize* such potential. As a result, the model law is more comprehensive than a law that meets only the criteria for a 25 percent incentive grant.

NHTSA recommends its new model law to any State seeking the safety benefits of a completely comprehensive safety belt use law.

Second, the criteria, unlike the model law, are not intended to be enacted verbatim. They are guidelines for determining State eligibility for a safety belt incentive grant. All that is required of a State is that its law comply substantially with the criteria for a particular level of incentive grant. Thus, for example, the definition in the Uniform Vehicle Code for "motor vehicle" will suffice for the comparable term defined in the final criteria. The substantiality of conformance will be determined primarily by potential number of lives saved and injuries prevented.

In consideration of the foregoing, 23 CFR Chapter II, Subchapter B, is hereby amended, by adding Part 1213, Incentive Grant Criteria For State Safety Belt Use Laws, effective April 11, 1974.

Issued on April 5, 1974.

JAMES B. GREGORY,
Administrator.

Sec.

1213.1 Scope.
1213.2 Purpose.
1213.3 Definitions.
1213.4 General requirements.
1213.5 Requirements for 10 percent incentive grant.
1213.6 Requirements for 15 percent incentive grant.
1213.7 Requirements for 25 percent incentive grant.
1213.8 Exemptions.
1213.9 Penalties.
1213.10 Effective date of safety belt use requirements.

AUTHORITY: Sec. 219, Pub. L. 93-87, 87 Stat. 290, (23 U.S.C. 402(j)); and delegation of authority at 49 CFR 1.51.

§ 1213.1 Scope.

This part establishes criteria, in accordance with 23 U.S.C. 402(j), for awarding incentive grants to States that enact laws requiring the use of safety belts in motor vehicles.

§ 1213.2 Purpose.

The purpose of this part is to encourage States to enact safety belt use laws that will significantly reduce highway deaths and injuries and resultant societal costs. The criteria established are intended to ensure that the State safety belt use laws for which incentive grants are awarded meet or exceed minimum levels of life saving and injury preventing potential.

§ 1213.3 Definitions.

(a) "Available" means, with respect to safety belts, a safety belt that is installed in a motor vehicle, but not fastened around the front of any occupant's body.

(b) "Highway" means the entire width between the boundary lines of every publicly-maintained way when any part thereof is open to the use of the public for the purpose of travel by motor vehicle.

(c) "Motor vehicle" means any vehicle driven or drawn by mechanical power manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails.

(d) "Operate" means to occupy the driver's seating position of a vehicle while it is moving forward or backward, stopped in traffic, or standing with engine running. It also includes the interval between the time that an officer signals a driver to pull his vehicle over to the curb or shoulder and the time that the officer requests the stopped driver to show his identification or to exit from his vehicle.

(e) "Safety belt" means a lap belt, shoulder belt, or any other belt or combinations of belts designed to be installed in motor vehicles to restrain drivers and passengers during motor vehicle crashes. It also includes anchorages, buckles, and all other equipment necessary for the installation and use of safety belts.

(f) "Seating position" means any motor vehicle location intended by the vehicle manufacturer to provide seating accommodation while the vehicle is in motion, except auxiliary seating accommodations such as temporary or folding jump seats.

§ 1213.4 General Requirements.

To qualify for incentive grants of 10, 15, or 25 percent of its apportionment of highway safety funds under 23 U.S.C. 402, a State must enact a safety belt use law that meets the requirements of §§ 1213.5, 1213.6, or 1213.7, as applicable, and of §§ 1213.8 through 1213.10. Qualifying States will receive an incentive grant for the fiscal year of enactment and for each subsequent fiscal year through fiscal year 1976. The amount of the grants for any such fiscal year will be determined by the requirements specified in this part.

§ 1213.5 Requirements for 10 percent incentive grant.

To qualify for an incentive grant of 10 percent of its 23 U.S.C. 402 apportionment, a State must have a law that includes provisions to the following effect:

(a) No person shall operate any motor vehicle on the highways of the State unless each of its seating positions is equipped with the same number of safety belts with which it was required by Federal law or regulation to be equipped at the time of the vehicle's manufacture and all of the safety belts with which it is required by State law or regulation to be equipped.

(b) No person shall wholly or partially remove or disconnect any safety belt that was required by Federal law or regulation to be installed in a motor vehicle at the time of the vehicle's manufacture, or that is required by State law or regulation to be installed in a vehicle, except temporarily for cleaning, repair, or replacement with equivalent or improved safety belts.

(c) No person shall operate on the highways of the State any motor vehicle whose driver's seating position is equipped with a lap safety belt, unless he has fastened such lap safety belt around the front of his body.

(d) No person 4 years of age or older and 40 pounds or more in weight shall ride as a passenger on the highways of the State in the front seat of any motor vehicle in which there is a front passenger seating position with an available lap safety belt, unless he has fastened a lap safety belt around the front of his body.

§ 1213.6 Requirements for 15 percent incentive grant.

To qualify for an incentive grant of 15 percent of its 23 U.S.C. 402 apportionment, a State must have a law that includes provisions to the effect of § 1213.5 (a) through (c). In addition, it shall include a provision to the following effect:

(a) No person 4 years of age or older and 40 pounds or more in weight shall ride as a passenger on the highways of the State in any motor vehicle in which there is a passenger seating position with an available lap safety belt, unless he has fastened a lap safety belt around the front of his body.

§ 1213.7 Requirements for 25 percent incentive grant.

To qualify for an incentive grant of 25 percent of its 23 U.S.C. 402 apportionment, a State must have a law that includes provisions to the effect of § 1213.5 (a) and (b). In addition, it shall include provisions to the following effect:

(a) No person shall operate on the highways of the State any motor vehicle whose driver's seating position is equipped with a lap safety belt or lap and shoulder safety belts, unless he has fastened all such safety belts around the front of his body.

(b) No person 4 years of age or older and 40 pounds or more in weight, but less than 12 years of age or 55 inches in height, shall ride as a passenger on the highways of the State in any motor vehicle in which there is a passenger seating position with an available lap safety belt unless he has fastened a lap safety belt around the front of his body.

(c) No person 12 years of age or older and 55 inches in height or taller shall ride as a passenger on the highways of the State in any motor vehicle in which there is a passenger seating position with an available lap safety belt or lap and shoulder safety belts, unless he has fastened around the front of his body all of the safety belts of a passenger seating position equipped with one or more safety belts.

§ 1213.8 Exemptions.

To qualify for an incentive grant, a State must have a safety belt use law that provides that the State shall exempt any person or class of persons, upon their application or the State's own initiative, from the safety belt use requirements in §§ 1213.5, 1213.6, or 1213.7, as applicable, if they:

(a) Possess a written statement from a qualified physician or psychiatrist, as appropriate, that they have a physical or mental problem that has been determined by State law or regulation to make their safety belt use unreasonable because the problem substantially outweighs the safety and economic benefits of their safety belt use; or

(b) Are engaged in necessary occupational activities that have been determined by State law or regulation to be hampered unreasonably by safety belt use.

§ 1213.9 Penalties.

A State safety belt use law shall provide that:

(a) Any person who violates any safety belt installation or maintenance requirement of § 1213.5 (a) or (b) shall be punishable by fine of not less than $10.00; and

(b) Any person who violates any safety belt use requirements in § 1213.5 (c) and (d), 1213.6(a), or 1213.7 (a) through (c) shall be fined not less than $10.00 and not more than $35.00.

§ 1213.10 Effective date of safety belt use requirements.

(a) To qualify for an incentive grant in the fiscal year of enactment, a State must—

(1) Establish an effective date for its safety belt use law of not later than 6 months after the law's enactment; or

(2) Establish an effective date for its law of not later than 12 months after enactment and demonstrate that the interval of greater than 6 months between the enactment and effective dates is necessary to permit completion of activities essential to the implementation of the law.

(b) A State will receive its first incentive grant for the fiscal year following the fiscal year of enactment of its safety belt use law or for the fiscal year that the law becomes effective, whichever is later, if the interval between the enactment and effective dates is greater than 6 months, but not greater than 12 months, and the State cannot demonstrate its necessity or if the interval is greater than 12 months.

[FR Doc.74-8307 Filed 4-10-74;8:45 am]

Title 49—Transportation

CHAPTER X—INTERSTATE COMMERCE COMMISSION

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[Amdt. No. 3 to Second R. S. O. No. 1117]

PART 1033—CAR SERVICE

Substitution of Hopper Cars for Covered Hopper Cars or Boxcars

At a Session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 3rd day of April, 1974.

Upon further consideration of *Second Revised Service Order No. 1117* (38 FR 7332, 19126 and 31309), and good cause appearing therefor:

It is ordered, That:

§ 1033.1117 Substitution of hopper cars for covered hopper cars or boxcars.

Second Revised Service Order No. 1117 be, and it is hereby, amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date.* The provisions of this order shall expire at 11:59 p.m., October 15, 1974, unless otherwise modified, changed, or suspended by order of this Commission.

Effective date. This amendment shall become effective at 11:59 p.m., April 15, 1974.

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

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

By the Commission, Railroad Service Board.

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

[FR Doc.74-8366 Filed 4-10-74;8:45 am]

[S.O. No. 1182]

PART 1033—CAR SERVICE

Substitution of Stock Cars for Boxcars

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 5th day of April 1974.

It appearing, that an acute shortage of boxcars for transporting shipments of grain, grain screenings, soybeans, or grain products exists in certain sections of the country; that some carriers have adequate supplies of stock cars; that use of these cars for transporting grain, grain screenings, soybeans, or grain products is precluded by certain tariff provisions requiring the use of boxcars, thus curtailing shipments of grain, grain screenings, soybeans, or grain products and creating great economic loss; that present regulations and practices with respect to the use, supply, control, movement, and distribution of boxcars are ineffective. It is the opinion of the Commission that an emergency exists requiring immediate action to promote car service in the interest of the public and the commerce of the people. Accordingly, the Commission finds that notice and public procedure are impracticable and contrary to the public interest, and that good cause exists for making this order effective upon less than thirty days' notice.

It is ordered, That:

§ 1033.1182 **Substitution of stock cars for boxcars.**

(a) Each common carrier by railroad subject to the Interstate Commerce Act shall observe, enforce, and obey the following rules, regulations, and practices with respect to its car service:

(1) *Substitution of Cars.* Subject to the concurrence of the shipper, the carrier may substitute specially conditioned stock cars for shipments of grain, grain screenings, soybeans, or grain products whether from the point of origin or from an intermediate in-transit point, regardless of tariff provisions requiring the use of boxcars.

(2) *Minimum Weights.* The minimum weights per shipment of grain, grain screenings, soybeans, or grain products transported in stock cars substituted for boxcars shall be the minimum weights specified in the tariffs for shipments made in boxcars regardless of the number of stock cars required to be used to secure the minimum weight.

(3) Bills of lading covering movements authorized by this order shall contain a notation that shipment is moving under authority of Service Order No. 1182.

(4) The term "stock cars" means all cars listed in the Official Railway Equipment Register, I.C.C. R.E.R. No. 390, issued by W. J. Trezise, or successive issues thereof, as having one of the mechanical designations listed under the heading Class "S"—Stock Car Type.

(5) The term "boxcars" means all cars listed in the Official Railway Equipment Register, I.C.C. R.E.R. No. 390, issued by W. J. Trezise, or successive issues thereof, as having one of the mechanical designations listed under the heading Class "X"—Box Car Type.

(b) *Rules and regulations suspended.* The operation of tariffs or other rules and regulations, insofar as they conflict with the provisions of this order, is hereby suspended.

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

(d) *Effective date.* This order shall become effective at 12:01 a.m., April 8, 1974.

(e) *Expiration date.* The provisions of this order shall expire at 11:59 p.m., October 15, 1974, unless otherwise modified, changed, or suspended by order of this Commission.

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

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

By the Commission, Railroad Service Board.

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

[FR Doc.74-8367 Filed 4-10-74;8:45 am]

[Ex parte No. MC-5 and No. 159]

PART 1043—SURETY BONDS AND POLICIES OF INSURANCE

PART 1084—SURETY BONDS AND POLICIES OF INSURANCE

Amended Order

APRIL 5, 1974.

It appearing that the session date of the order of March 27, 1974, 39 FR 11891 published April 1, 1974, was inadvertently omitted. It is ordered that the order be amended to read as follows:

At a Session of the Interstate Commerce Commission, the Insurance Board, held at its office in Washington, D.C., on the 20th day of March, 1974.

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

[FR Doc.74-8368 Filed 4-10-74;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

Dismal Swamp National Wildlife Refuge

The following special regulation is issued and is effective through the period April 15, 1974 to December 31, 1974.

§ 33.4 **List of Open Areas, Sport Fishing.**

Fresh Water Sport Fishing is authorized on the following wildlife refuge areas in accordance with provisions of §§ 33.1, 33.2, and 33.5.

VIRGINIA

DISMAL SWAMP NATIONAL WILDLIFE REFUGE

WILLARD M. SPAULDING, Jr., *Acting Regional Director, Bureau of Sport Fisheries and Wildlife.*

APRIL 4, 1974.

[FR Doc.74-8286 Filed 4-10-74;8:45 am]

PART 33—SPORT FISHING

Blackwater National Wildlife Refuge

The following special regulations are issued and are effective during the period April 15, 1974 through September 30, 1974.

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

MARYLAND

BLACKWATER NATIONAL WILDLIFE REFUGE

Sport fishing and crabbing on the Blackwater National Wildlife Refuge, Cambridge, Md., is permitted only on those areas designated by signs as open to fishing. These open areas, comprising approximately 2,700 acres, are delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, John W. McCormack Post Office and Courthouse, Boston, Massachusetts, 02109. Sport fishing and crabbing shall be in accordance with all applicable State regulations except for the following special conditions.

(1) Season: April 15–September 30. Daylight hours only.

(2) Boat launching from refuge lands prohibited.

(3) All fish and crab lines must be attended. No set tackle may be used.

(4) Use of airboats prohibited.

The provisions of this special regulation supplement the regulations which govern sport fishing on wildlife refuge areas generally, which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective through September 30, 1974.

GEORGE C. BALZER, Jr., *Acting Regional Director, Bureau of Sport Fisheries and Wildlife.*

APRIL 4, 1974.

[FR Doc.74-8285 Filed 4-10-74;8:45 am]

PART 33—SPORT FISHING

Dismal Swamp National Wildlife Refuge

The following special regulation is issued and is effective through the period April 15, 1974 to December 31, 1974.

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

VIRGINIA

DISMAL SWAMP NATIONAL WILDLIFE REFUGE

The portions of the refuge described herein will be open to fresh water sport fishing in 1974. Virginia Commonwealth laws governing fresh water sport fishing will apply except for the following refuge regulations which are more restrictive.

1. Fishing will be with hand held rod and reel only.

2. Fishing is permitted during daylight hours only.

3. Bank and boat fishing is permitted in Lake Drummond and in those drainage ditches posted as public fishing areas.

4. Public access to fishing areas is limited to boats entering Lake Drummond from the Feeder Ditch on the east side of the Lake.

Information about the refuge area, comprising approximately 49,097 acres and located in the cities of Suffolk and Chesapeake, Virginia, is available from the Refuge Manager, U.S. Fish and Wildlife Service, Box 349, Suffolk, Virginia 23434.

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

WILLARD M. SPAULDING, Jr.,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

APRIL 4, 1974.

[FR Doc.74-8287 Filed 4-10-74;8:45 am]

CHAPTER I—BUREAU OF SPORT FISHERIES AND WILDLIFE, FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

PART 33—SPORT FISHING

NORTH DAKOTA

J. CLARK SALYER NATIONAL WILDLIFE REFUGE

The following special regulation is issued and is effective on April 11, 1974.

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

Sport fishing on the J. Clark Salyer National Wildlife Refuge, North Dakota, is permitted only on the areas designated by signs as open to fishing. These open areas, comprising 1,000 acres or 9 percent of the total water area of the refuge, are delineated on a map and described in a leaflet available at the refuge headquarters and from the office of the Area Manager, Bureau of Sport Fisheries and Wildlife, P.O. Box 1897, Bismarck, North Dakota 58501. Sport fishing shall be in accordance with all applicable State regulations subject to the following special condition:

(1) All waters within the boundaries of the J. Clark Salyer National Wildlife Refuge, designated as open to fishing by the Refuge Manager, shall be open to the taking of all fish from May 4, 1974 through September 30, 1974, daylight hours only. The open areas shall then be closed to all boat fishing but remain open to bank and ice fishing from October 1, 1974, through March 23, 1975, daylight hours only. All Refuge waters shall then be closed to all fishing from March 24, 1975, through May 2, 1975.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Part 33, and are effective through March 23, 1975.

Dated: April 4, 1974.

ROBERT C. FIELDS,
Refuge Manager, J. Clark Salyer National Wildlife Refuge, Upham, North Dakota 58789.

[FR Doc.74-8296 Filed 4-10-74;8:45 am]

Title 7—Agriculture

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

[Valencia Orange Reg. 460]

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

Limitation of Handling

This regulation fixes the quantity of California-Arizona Valencia oranges that may be shipped to fresh market during the weekly regulation period April 12–18, 1974. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 908. The quantity of Valencia oranges so fixed was arrived at after consideration of the total available supply of Valencia oranges, the quantity of Valencia oranges currently available for market, the fresh market demand for Valencia oranges, Valencia orange prices, and the relationship of season average returns to the parity price for Valencia oranges.

§ 908.760 Valencia Orange Regulation 460.

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

(2) The need for this regulation to limit the respective quantities of Valencia oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the production and marketing situation confronting the Valencia orange industry.

(i) The committee has submitted its recommendation with respect to the quantities of Valencia oranges that should be marketed during the next succeeding week. Such recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee reports that prices f.o.b. averaged $2.59 per carton on a reported sales volume of 101 carlots last week, compared with an average f.o.b. price of $2.70 per carton and sales of 59 carlots a week earlier.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the respective quantities of Valencia oranges which may be handled should be fixed as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engaged in public rulemaking procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this regulation is based became available and the time when this regulation must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this regulation, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period herein specified; and compliance with this regulation will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on April 9, 1974.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period April 12, 1974, through April 18, 1974, are hereby fixed as follows:

(i) District 1: 19,960 Cartons;
(ii) District 2: 24,522 Cartons;
(iii) District 3: 175,000 Cartons."

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

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

Dated: April 10, 1974.

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

[FR Doc.74-8546 Filed 4-10-74;11:38 am]

[Navel Orange Reg. 320]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

This regulaiton fixes the quantity of California-Arizona Navel oranges that may be shipped to fresh market during the weekly regulation period April 12-18, 1974. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 907. The quantity of Navel oranges so fixed was arrived at after consideration of the total available supply of Navel oranges, the quantity currently available for market, the fresh market demand for Navel oranges, Navel orange prices, and the relationship of season average returns to the parity price for Navel oranges.

§ 907.620 Navel Orange Regulation 320.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of Navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Navel oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for this regulation to limit the respective quantities of Navel oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the production and marketing situation confronting the Navel orange industry.

(i) The committee has submitted its recommendation with respect to the quantities of Navel oranges that should be marketed during the next succeeding week. Such recommendations, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee further reports that the fresh market demand for Navel oranges is excellent. Prices f.o.b. averaged $3.25 a carton on a reported sales volume of 1,614 carlots last week, compared with an average f.o.b. price of $3.26 per carton and sales of 1,499 carlots a week earlier. Track and rolling supplies at 638 cars were down 147 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secertary finds that the respective quantities of Navel oranges which may be handled should be fixed as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this regulation is based became available and the time this regulation must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Navel oranges and the need for regulation; interested persons were afforded an opportuinty to submit information and views at this meeting; the recommendation and supporting information for regulation, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period herein specified; and compliance with this regulation will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on April 9, 1974.

(b) *Order.* (1) The respective quantities of Navel oranges grown in Arizona and designated part of California which may be handled during the period April 12, 1974, through April 18, 1974, are hereby fixed as follows:

(i) District 1: 1,500,000 cartons;
(ii) District 2: Unlimited movement;
(iii) District 3: Unlimited movement."

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

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

Dated: April 10, 1974.

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

[FR Doc.74-8547 Filed 4-10-74;11:38 am]

Proposed Rules

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

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 1065]

[Docket No. AO 86–A32]

MILK IN THE NEBRASKA-WESTERN IOWA MARKETING AREA

Hearing on Proposed Amendments to Tentative Marketing Agreement and Order

Notice is hereby given of a public hearing to be held at the Howard Johnson's Motor Lodge (International Room) 3650 South 72nd Street (I–80 at 72nd), Omaha, Nebr., beginning at 9:30 a.m., local time April 23, 1974, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Nebraska-Western Iowa marketing area.

The hearing is called pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900).

The purpose of the hearing is to receive evidence with respect to the economic and marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

Proposal No. 2 necessarily raises questions as to whether the quantity of milk involved is to be based upon measurements at the farm or plant (butterfat tests and weights), and the appropriate shrinkage allowance in either case; and as to the applicability of the handler definition to a cooperative when the pool plant operator assumes responsibility for the entire value of milk based on measurements at the farm.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by Mid-America Dairymen, Inc.:

PROPOSAL NO. 1

In § 1065.12, Pool plant, revise paragraph (a) to read:

§ 1065.12 Pool plant.

* * * * *

(a) A distributing plant from which a volume of Class I milk, except filled milk, equal to not less than 35 percent of the Grade A milk received at such plant from dairy farmers, supply plants (exclusive of plants qualifying as pool plants pursuant to this paragraph), and cooperative associations pursuant to § 1065.8(d), is disposed of during the current or preceding month on routes and not less than 15 percent of such receipts are so disposed of in the marketing area; and

* * * * *

PROPOSAL NO. 2

Amend the order to require a pool plant handler who receives milk from a cooperative association bulk tank handler, pursuant to § 1065.8(d), to pay to the cooperative association for such receipts at the order uniform price and to account to the pool at the applicable class prices.

PROPOSAL NO. 3

In § 1065.80, *Time and method of payment*, add a new paragraph (g) to read:

§ 1065.80 Time and method of payment.

* * * * *

(g) To a cooperative association with respect to receipts of milk from a pool plant operated by such cooperative association:

(1) On or before the 26th day of the month for such receipts during the first 15 days of the month an amount equal to not less than the Class III price for 3.5 percent butterfat as announced for the preceding month for bulk fluid milk and cream and by the Class II price for skim milk for the preceding month for bulk fluid skim so received.

(2) On or before the 14th day after the end of the month for such receipts during the month an amount equal to not less than the value of such milk at the applicable class prices less payments made pursuant to paragraph (a)(1) of this section.

Proposed by the Dairy Division, Agricultural Marketing Service:

PROPOSAL NO. 4

Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, U. Grant Grayson, P.O. Box 4606, Overland Park, Kansas 66204, or from the Hearing Clerk, Room 112–A, Administration Building, United States Department of Agriculture, Washington, D.C. 20250 or may be there inspected.

Signed at Washington, D.C., on: April 8, 1974.

JOHN C. BLUM,
Associate Administrator.

[FR Doc.74–8352 Filed 4–10–74;8:45 am]

Animal and Plant Health Inspection Service

[9 CFR Part 113]

VIRUSES, SERUMS, TOXINS, AND ANALOGOUS PRODUCTS

Test Methods, Procedure, and Criteria

Notice is hereby given in accordance with the provisions contained in section 553 of Title 5, United States Code, that it is proposed to amend certain of the regulations relating to viruses, serums, toxins, and analogous products in Part 113 of Title 9, Code of Federal Regulations, issued pursuant to the provisions of the Virus-Serum-Toxin Act of March 4, 1913 (21 U.S.C. 151–158).

These proposed amendments would codify in Part 113 test methods, procedures, and criteria established by Veterinary Services for evaluating biological products to be pure, safe, potent, and efficacious and not to be worthless, contaminated, dangerous, or harmful. All products shall meet the applicable requirements before marketing release is authorized.

These requirements have been developed over a period of years in cooperation with interested members of the scientific society and, for the most part, have been utilized by industry either as accepted requirements or as proposals under development.

The publication of these requirements is done to make more readily available to the general public these requirements which now appear in administrative memorandums.

These amendments would revise the sterility test for live vaccines in § 113.27 to provide for testing Master Seed Virus, to clarify the products to be tested and clarifies the requirements for unsatisfactory bacterial vaccines.

One safety test utilizing dogs as test animals and another utilizing calves as test animals would be codified in two new sections. These tests shall be conducted when such tests are prescribed in a standard requirement or filed outline of production for a product. If the results are unsatisfactory, the serial shall not be released for market.

Part 113, Standard Requirements, of Title 9 of the Code of Federal Regulations, is further amended as follows:

1. The caption and introductory paragraph for § 113.27 are amended and a new paragraph (c) is added; the introductory paragraph for (a) is revised and paragraph (b) is revised to read:

§ 113.27 Detection of viable bacteria and fungi in live vaccines.

Unless otherwise specified by the Deputy Administrator or elsewhere exempted

in this part, each serial and subserial of live vaccines and each lot of Master Seed Virus shall be tested for viable bacteria and fungi as prescribed in this section.

(a) *Live viral vaccines.* Each biological product composed of live virus shall be tested according to the procedures prescribed in this paragraph unless such biological product is of chicken embryo origin and is recommended for use in a manner other than parenteral injection. Tests shall be conducted as follows:

* * * * *

(b) *Live bacterial vaccines.* Each serial or subserial of live bacterial biological products shall be tested for purity by plating on appropriate medium depending upon the live bacteria contained in the product. A serial or subserial shall be considered unsatisfactory if there is any evidence of extraneous viable bacteria, or fungi, or both.

(c) *Master Seed Virus.* Not less than a 5 ml sample of each lot of Master Seed Virus shall be tested. Frozen liquid Master Seed Virus shall be thawed and desiccated Master Seed Virus shall be rehydrated with Soybean Casein Digest Medium.

(1) To test for bacteria, 0.2 ml of the sample of Master Seed Virus shall be placed in each of 10 individual vessels containing a minimum of 120 ml of Soybean Casein Digest Medium. Incubation shall be at 30° to 35° C for 7 days.

(2) To test for fungi, 0.2 ml of the sample of Master Seed Virus shall be placed in each of 10 individual vessels containing a minimum of 40 ml of Soybean Casein Digest Medium. Incubation shall be at 20° to 25° C for 14 days.

(3) For each set of test vessels representing a lot of Master Seed Virus in a valid test, the following rules shall apply:

(i) If growth is found in any test vessel, one retest to rule out faulty technique may be conducted using a new sample of Master Seed Virus.

(ii) If growth is found in any test vessel of the final test, the lot of master seed virus is unsatisfactory.

2. Sections 113.40 and 113.41 are revised to read:

§ 113.40 Dog safety test.

The dog safety test provided in this section shall be conducted when prescribed in a Standard Requirement or in the filed Outline of Production for a product. Puppies which are susceptible to the infections against which the product is intended to protect shall be used.

(a) *Susceptibility of test animals.* (1) The puppies shall be considered susceptible to canine distemper virus infection if the results are negative at a 1:2 serum dilution in a varying serum-constant virus neutralization test with 100 to 300 ID_{50} of canine distemper virus.

(2) The puppies shall be considered susceptible to infectious canine hepatitis virus infection if the results are negative at a 1:2 serum dilution in a varying serum-constant virus neutralization test with 100 to 300 $TCID_{50}$ of infectious canine hepatitis virus.

(3) The puppies shall be considered susceptible to leptospirosis infection if the results are negative at a 1:2 serum dilution in an agglutination-lysis test for each serotype in the product.

(b) *Test procedure.* (1) If vaccine is being tested, each of two puppies shall be injected with the equivalent of 10 doses of vaccine administered in the manner recommended on the label and observed for 21 days after the final dose (if more than one dose is recommended).

(2) If antiserum is being tested, a dose shall be the maximum amount recommended on the label per pound body weight and each of two puppies shall be injected subcutaneously with one dose and intraveneously with one dose and observed for 21 days.

(c) *Interpretation.* If unfavorable reactions attributable to the product occur in either of the pupies during the observation period, the serial or subserial is unsatisfactory. If unfavorable reactions which are not attributable to the product occur, the test shall be declared inconclusive and may be repeated; *Provided,* That, if the test is not repeated, the serial or subserial shall be declared unsatisfactory.

§ 113.41 Calf safety test.

The calf safety test provided in this section shall be conducted when prescribed in a Standard Requirement or in the filed Outline of Production for a product. Calves which are susceptible to the infections against which the product is intended to protect shall be used.

(a) *Susceptibility of test animals.* (1) The calves shall be considered susceptible to infectious bovine rhinotracheitis virus infection if the results are negative at a 1:2 serum dilution by the virus plaque reduction method.

(2) The calves shall be considered susceptible to bovine virus diarrhea virus infection if the results are negative at a 1:2 serum dilution in a varying serum-constant virus neutralization test with 100 to 300 $TCID_{50}$ of bovine virus diarrhea virus.

(3) The calves shall be considered susceptible to parainfluenza$_3$ virus infection if the results are negative at a 1:2 serum dilution in a varying serum-constant virus neutralization test with 100 to 300 $TCID_{50}$ of parainfluenza virus.

(b) *Test procedure.* Each of two calves shall be injected with the equivalent of 10 doses of vaccine administered in the manner recommended on the label and observed for 21 days.

(c) *Interpretation.* If unfavorable reactions attributable to the product occur in either of the calves during the observation period, the serial or subserial is unsatisfactory. If unfavorable reactions which are not attributable to the product occur, the test shall be declared inconclusive and may be repeated: *Provided,* That, if the test is not repeated, the serial or subserial shall be declared unsatisfactory.

3. Part 113 is further amended by adding 13 new sections—§ 113.54, §§ 113.120–113.126, and §§ 113.135–113.138.

§ 113.54 Sterile diluent.

Sterile Diluent shall be supplied in a final container by the licensee when such diluent is required for rehydration or dilution of the vaccine.

(a) Sterile Diluent may be pure distilled water or it may be a special liquid solution formulated in accordance with an acceptable special outline on file with Veterinary Services.

(b) Each quantity prepared at one time in a single container and bottled into final containers shall be designated as a serial. Each serial shall be given a number which shall be used in records, test reports, and on the final container label.

(c) Final container samples from each serial shall be tested for bacteria and fungi in accordance with the test provided in § 113.26. Any serial found to be unsatisfactory shall not be released.

KILLED VIRUS VACCINES

§ 113.120 General requirements for killed virus vaccines.

Unless specifically exempted in the Standard Requirement for each vaccine, killed virus vaccine shall meet the applicable requirements in this section in addition to those prescribed in such Standard Requirement.

(a) *Killing Agent.* The vaccine virus shall be killed (inactivated) by an appropriate agent. The procedure involved may be referred to as inactivation. Suitable tests to assure complete inactivation shall be written into the filed Outline of Production.

(b) *Cell Culture Requirements.* If cell cultures are used in the preparation of the vaccine, primary cells shall meet the requirements in § 113.51 and cell lines shall meet the requirements in § 113.52.

(c) *Purity Tests.*—(1) *Bacteria and fungi.* Final container samples of completed product from each serial shall be tested as prescribed in § 113.26.

(2) *Avian Origin Vaccine.* Bulk pooled material or final container samples from each serial shall also be tested for:

(i) *Salmonella* contamination as prescribed in § 113.30; and

(ii) *Lymphoid leukosis virus* contamination as prescribed in § 113.31; and

(iii) *Hemagglutinating viruses* as prescribed in § 113.34.

(3) *Mycoplasma.* If the licensee cannot demonstrate that the agent used to kill the vaccine virus would also kill mycoplasma, each serial of the vaccine shall be tested for mycoplasma as prescribed in § 113.28, prior to adding the killing agent. Material found to contain mycoplasma is unsatisfactory for use.

(d) *Safety Tests.* Final container samples of completed product from each serial shall be tested for safety in guinea pigs as prescribed in § 113.38 and for safety in mice as prescribed in § 113.33: *Provided,* That, vaccines recommend for use only in poultry are exempt from this requirement.

(e) *Viricidal Activity Test.* Only serials tested for viricidal activity in accordance with the test provided in § 113.35 and found satisfactory by such

test shall be packaged as diluent for desiccated fractions in combination packages.

(f) *Formaldehyde content.* If formaldehyde is used as the killing agent, the residual free formaldehyde content shall not exceed the equivalent of 0.2 percent formaldehyde solution (740 parts per million formaldehyde).

§ 113.121 Canine Distemper Vaccine, Killed Virus.

Canine Distemper Vaccine, Killed Virus, shall be prepared from virus-bearing tissues obtained from animals that have developed canine distemper following inoculation with virulent canine distemper virus. Each serial shall meet the applicable general requirements prescribed in § 113.120 and special requirements prescribed in this section. Any serial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety tests.*—(1) *Test for inactivation.* Bulk or final container samples of completed product shall be tested for live canine distemper virus in canine distemper susceptible ferrets. Each of two such ferrets shall be injected with one dog dose of the vaccine and observed for 21 days. If unfavorable reactions attributable to the vaccine occur during the observation period, the serial is unsatisfactory.

(2) *Observation of potency test animals.* The vaccinates used in the potency test in paragraph (b) of this section shall be observed daily prior to challenge. If unfavorable reactions attributable to the vaccine occur during the prechallenge period, the serial is unsatisfactory.

(b) *Potency Test.* Bulk or final container samples of completed product shall be tested for potency using 10 canine distemper susceptible dogs (five vaccinates and five controls) as follows:

(1) *Vaccination.* Each of the five vaccinates shall be injected with vaccine as recommended on the label and observed for 21 days after the final dose.

(2) *Challenge.* At the end of the observation period, the vaccinates and controls shall be intranasally inoculated at the same time with an equal dose from the same bottle of Snyder Hill canine distemper virus furnished by Veterinary Services and observed for an additional 21 days.

(3) *Interpretation.* If the control dogs do not develop typical signs of canine distemper, or lesions of canine distemper, or both, the test is inconclusive and may be repeated: *Provided,* That, if the vaccinates do not remain free of typical signs of canine distemper, the serial is unsatisfactory.

§ 113.122 Canine Hepatitis Vaccine, Killed Virus.

Canine Hepatitis Vaccine, Killed Virus, shall be prepared from virus-bearing cell culture fluids or from tissues obtained from an animal that has developed canine hepatitis following inoculation with virulent canine hepatitis virus. Each serial shall meet the applicable general requirements prescribed in § 113.120 and special requirements prescribed in this section. Any serial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety Tests.*—(1) *Test for inactivation.* Bulk or final container samples of completed product from each serial shall be tested in dogs. Each of two canine hepatitis susceptible dogs as determined in § 113.40(a)(2) shall be inoculated in the anterior chamber of one eye with 0.05 ml of a 4 percent suspension of vaccine. They shall be examined daily for 14 days for corneal opacity characteristic of canine hepatitis. If the eyes do not remain clear, the serial is unsatisfactory.

(2) *Observation of potency test animals.* The dogs in the potency test shall be observed daily prior to challenge. If unfavorable reactions attributable to the product occur, the serial is unsatisfactory. If unfavorable reactions occur which are not attributable to the vaccine, the test is not repeated, the serial shall and may be repeated: *Provided,* That, if the test is not repeated, the serial shall be declared unsatisfactory.

(b) *Potency test.* Bulk or final container samples of completed product shall be tested for potency using 10 canine hepatitis susceptible dogs (five vaccinates and five controls) as follows:

(1) *Vaccination.* Each of the five vaccinates shall be injected as recommended on the label and observed for 21 days.

(2) *Challenge.* At the end of the observation period, the five vaccinates and the five controls shall be inoculated with virulent canine hepatitis virus and observed an additional 10 days.

(3) *Interpretation.* If the control dogs do not develop typical signs of canine hepatitis, the test is inconclusive and may be repeated; *Provided,* That, if the vaccinates do not remain free of typical signs of canine hepatitis, the serial is unsatisfactory.

§ 113.123 Feline Distemper Vaccine, Killed Virus.

Feline Distemper Vaccine, Killed Virus, shall be prepared from virus-bearing cell culture fluids or from tissues obtained from cats that have developed feline distemper following inoculation with virulent feline distemper virus. Each serial shall meet the applicable requirements prescribed in § 113.120 and special requirements prescribed in this section. Any serial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety Test.* The vaccinates used in the potency test in paragraph (b) of this section shall be checked daily prior to challenge for unfavorable reactions including leukopenia. If unfavorable reactions attributable to the vaccine occur during the prechallenge period, the serial is unsatisfactory.

(b) *Potency Test.* Bulk or final container samples of completed product shall be tested for potency using four feline distemper susceptible cats (two vaccinates and two controls). The susceptibility of the cats shall be determined by serum neutralization tests in tissue culture.

(1) *Vaccination.* Each of the two vaccinates shall be injected as recommended on the label. If two doses are recommended, the second dose shall be given 7 to 10 days after the first dose and the cats observed for 14 days.

(2) *Challenge.* At the end of the observation period, the two vaccinates and the two controls shall be exposed to virulent feline distemper virus and observed for an additional 14 days.

(3) *Interpretation.* If the control cats do not develop signs of feline distemper, including pronounced leukopenia, wherein the white cell count drops to 4,000 or less per cubic mm within the test period or the white cell drops to less than 25 percent of the normal level established by an average of three or more counts taken prior to the onset of leukopenia, the test is inconclusive and may be repeated: *Provided,* That, if the vaccinates show a pronounced leukopenia, or do not remain free of feline distemper, or both, the serial is unsatisfactory.

§ 113.124 Mink Enteritis Vaccine, Killed Virus.

Mink Enteritis Vaccine, Killed Virus, shall be prepared from virus-bearing cell culture fluids or tissues obtained from mink that have developed mink enteritis following inoculation with virulent mink enteritis virus. Each serial shall meet the applicable requirements prescribed in § 113.120 and special requirements prescribed in this section. Any serial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety Test.* Vaccinates used in the potency test in paragraph (b) of this section shall be observed daily prior to challenge. If unfavorable reactions attributable to the vaccine are noted, the serial is unsatisfactory.

(b) *Potency Test.* Bulk or final container samples of completed product shall be tested for potency using 10 mink enteritis susceptible mink (five vaccinates and five controls) as follows:

(1) *Vaccination.* Each of the five vaccinates shall be injected with one dose of vaccine as recommended on the label and observed for 14 days.

(2) *Challenge.* Two weeks after the last inoculation, the five vaccinates and the five controls shall be fed mink enteritis virus-laden tissues and observed daily for 12 days.

(3) *Interpretation.* If at least 80 percent of the unvaccinated control mink do not develop enteric symptoms typical of mink enteritis within 12 days, the test is considered inconclusive and may be repeated; *Provided,* That, if at least 80 percent of the vaccinates do not remain well, the serial is unsatisfactory.

§ 113.125 Newcastle Disease Vaccine (Killed Virus).

Newcastle Disease Vaccine (Killed Virus) shall be prepared from virus-bearing tissues or fluids obtained from embryonated chicken eggs or cell cultures. With the exception of § 113.120(c)(2)(iii), each serial shall meet the applicable general requirements prescribed

in § 113.120 and special requirements prescribed in this section. A serial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety Test.* The prechallenge part of the potency test in paragraph (b) of this section shall constitute a safety test. If unfavorable reactions attributable to the product occur in any of the vaccinates, the serial is unsatisfactory. If unfavorable reactions which are not attributable to the product occur, the test shall be declared inconclusive and may be repealed; *Provided,* That, if the test is not repeated, the serial shall be declared unsatisfactory.

(b) *Potency Test.* A vaccination-challenge test shall be conducted using susceptible chickens 2 to 6 weeks of age at time of vaccination, properly identified and obtained from the same source and hatch.

(1) Ten more chickens shall be vaccinated as recommended on the label and kept isolated under observation for at least 14 days.

(2) After at least 14 days post-vaccination, the vaccinates and at least 10 unvaccinated chickens that have been kept isolated as controls shall be challenged with a virulent strain of Newcastle disease virus supplied by or approved by Veterinary Services and observed for 14 days.

(3) If at least 90 percent of the controls do not show typical signs of Newcastle disease or die, the test is inconclusive and may be repeated. If at least 90 percent of the vaccinates do not remain normal, the serial is unsatisfactory.

§ 113.126 Wart Vaccine, Killed Virus.

Wart Vaccine, Killed Virus, shall be prepared from virus-bearing tissues obtained from an animal that has developed warts. Each serial shall meet the applicable general requirements prescribed in § 113.120. There is no U.S. Standard of Potency for this product at this time.

Live Virus Vaccines

§ 113.135 General requirements for live virus vaccines.

Unless specifically exempted in the Standard Requirement for the vaccine or a filed Outline of Production, each lot of Master Seed Virus and each serial and subserial of biological product shall meet the requirements in this section in addition to those prescribed in such Standard Requirement or Outline of Production.

(a) *Purity tests*—(1) *Bacteria and fungi.* Final container samples of completed product and comparable samples of each lot of Master Seed Virus shall be tested for bacteria and fungi in accordance with the test provided in § 113.27.

(2) *Mycoplasma.* Final container samples of completed product and comparable samples of each lot of Master Seed Virus shall be tested for mycoplasma in accordance with the test provided in § 113.28.

(3) *Avian Origin Vaccine.* Samples of each lot of Master Seed Virus and bulk pooled material or final container samples from each serial shall also be tested for:

(i) Salmonella contamination as prescribed in § 113.30; and

(ii) Lymphoid leukosis virus contamination as prescribed in § 113.31; and

(iii) Hemagglutinating viruses as prescribed in § 113.34.

(b) *Pathogenicity Test.* Samples of each lot of Master Seed Virus and final container samples of completed product from each serial of live virus vaccine recommended for animals other than poultry shall be tested for pathogenicity in young adult mice in accordance with the test provided in § 113.33(a) unless the virus or agents in the vaccine are inherently lethal for mice.

(c) *Virus Identity Test.* At least one of the virus identity tests provided in this paragraph shall be conducted for the Master Seed Virus and final container samples from each serial or first subserial of biological product.

(1) *Fluorescent Antibody Test.* The virus shall be titrated using five coverslips per dilution on a suitable cell system in Leighton tubes or other suitable containers. The containers shall be incubated for an appropriate length of time for the virus concerned. At the end of the incubation period, cells shall be stained with a fluorescein conjugated spcific antiserum. Flourescence typical for the virus concerned shall be demonstrated. Fluorescence shall not occur in uninoculated controls.

(2) *Serum Neutralization Test.* The serum neutralization test shall be conducted using the constant serum-decreasing virus method with specific antiserum. For positive identification, at least 3 $\log_{10}$ of vaccine virus shall be neutralized by the antiserum.

(d) *Cell Culture Requirements.* If cell cultures are used in the preparation of Master Seed Virus or of the vaccine, primary cells shall meet the requirements prescribed in § 113.51, cell lines shall meet the requirements prescribed in § 113.52, and ingredients of animal origin shall meet the applicable requirements in § 113.53.

(e) *Moisture content.* (1) The maximum percent moisture in desiccated vaccines shall be stated in the Outline of Production. It shall be established by the licensee as follows:

(i) *Prelicensing.* Data obtained by conducting accelerated stability tests and virus titrations shall be acceptable on a temporary basis.

(ii) *Licensed products.* Data obtained by determining the percent moisture at release and at expiration date and the valid end point virus titrations at release and at expiration date shall be used. A minimum of 10 consecutive serials shall be tested.

(2) Final container samples of completed product shall be tested for moisture content in accordance with the test provided in § 113.29.

(f) *Safety tests.* (1) All live virus vaccines recommended for use in dogs shall be tested for safety in accordance with the test provided in § 113.40.

(2) All live virus vaccines recommended for use in cattle shall be tested for safety in accordance with the test provided in § 113.41.

§ 113.136 Ovine Ecthyma Vaccine.

Ovine Ecthyma Vaccine shall be prepared from virus-bearing tissues obtained from sheep that have developed ovine ecthyma following inoculation with virulent ovine ecthyma virus. Ovine Ecthyma Vaccine is exempt from the requirements prescribed in § 113.27 and paragraphs § 113.135 (a), (b), and (c). Each serial shall meet the moisture requirements in § 113.135(e) and the special requirements prescribed in this section. Any serial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety tests.* (1) Bulk or final container samples of completed product from each serial shall be tested for safety as prescribed in § 113.38.

(2) The prechallenge period of the potency test shall constitute a safety test. If unfavorable reactions attributable to the vaccine occur in either of the vaccinates during the observation period, the serial is unsatisfactory.

(b) *Potency test.* Final container samples of completed product from each serial and each subserial shall be tested for potency using susceptible lambs. The vaccine shall be prepared as recommended for use on the label.

(1) Each of two lambs (vaccinates) shall be vaccinated by application of the vaccine to a scarified area on the medial surface of the thigh and observed for 14 days.

(2) The immunity of the two vaccinates and one or more unvaccinated lambs (controls) shall be challenged in the same manner as for vaccination, using the opposite thigh.

(3) If typical signs of ovine ecthyma, such as hyperemia, vesicles, and pustules do not develop on the controls during the first 2 weeks following challenge and persist for approximately 30 days, the test is inconclusive and may be repeated.

(4) If the vaccinates do not show a typical immune reaction, the serial is unsatisfactory: *Provided,* That, an initial active reaction with hyperemia which resolves progressively and disappears within 2 weeks, may be characterized as a typical immune reaction.

§ 113.137 Distemper Vaccine-Mink.

Distemper Vaccine-Mink shall be prepared from virus bearing cell culture fluids or embryonated chicken eggs. Each serial and subserial shall meet the general requirements prescribed in § 113.135 and the special requirements prescribed in this section. A serial or subserial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety test.* The prechallenge period of the potency test shall constitute a safety test. If unfavorable reactions attributable to the vaccine occur in either of the vaccinates during

the observation period, the serial is unsatisfactory.

(b) *Potency test.* Final container samples from each serial and each subserial shall be tested for potency using susceptible mink. The vaccine shall be prepared as recommended for use on the label.

(1) Each of at least three mink (vaccinates) shall be injected parenterally with not more than 0.1 of a mink dose and observed for 21 days.

(2) The vaccinates and at least three unvaccinated mink for controls shall be challenged parenterally with virulent mink distemper virus and observed for 21 days.

(3) If at least 80 percent of the controls do not show typical symptoms of distemper, the test is inconclusive and may be repeated. If at least 80 percent of the vaccinates do not survive without showing overt symptoms during the observation period, the serial or subserial is unsatisfactory.

§ 113.138 Bluetongue Vaccine.

Bluetongue Vaccine shall be prepared from virus-bearing cell culture fluids. Each serial and subserial shall meet the general requirements prescribed in § 113.135 and the special requirements prescribed in this section. A serial or subserial found unsatisfactory by a prescribed test shall not be released.

(a) *Safety test.* Final container samples of completed product shall be tested for safety in lambs susceptible to bluetongue virus infection.

(1) Lambs shall be considered susceptible if the neutralization index is less than 2.0 using the constant serum-varying virus method.

(2) Each of five susceptible lambs shall be observed for 5 days, then each shall be injected with one dose of vaccine as recommended on the label, and observed for an additional 10 days. Each lamb shall be temperatured daily during both observation periods.

(3) If temperatures of the lambs prior to injection exceed 104.5° F, the test is inconclusive and may be repeated. If the temperature of more than one lamb after injection exceeds 104.5° F, the reaction is considered unfavorable and the serial or subserial is unsatisfactory.

(b) *Potency test.* (1) The inoculated lambs used for the safety test shall be used for a potency test. Individual serum samples collected 20 to 28 days postinoculation shall be tested by the constant serum-varying virus method. If the serum from at least four lambs does not have a neutralization index of 2.0 or more, the serial is unsatisfactory.

(2) A virus titration shall be conducted to determine that the product contains an adequate amount of living bluetongue virus to induce an immune response in the vaccinated animal. Final container samples of completed product shall be used.

(i) The reconstituted vaccine in each container shall be titrated individually for virus content using accepted methods of cell culture titration.

(ii) Each sample shall have a bluetongue virus titer of at least $10^{4.4}$ $TCID_{50}$ per 2 ml throughout the dating period.

Interested parties are invited to submit written data, views, or arguments regarding the proposed regulations to Deputy Administrator, Veterinary Services, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, Room 828–A, Federal Building, Hyattsville, Maryland 20782. All comments received on or before June 11, 1974, will be considered.

All written submissions made pursuant to this notice will be made available for public inspection at Biologics Licensing and Standards Staff, at the above address, during regular business hours (7 CFR 1.27(b)).

Done at Washington, D.C., this 8th day of April 1974.

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

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Food and Nutrition Service

[7 CFR Part 246]

WIC PROGRAM

Notice of Proposed Rulemaking

The Department of Agriculture is considering amending the regulations for the Special Supplemental Food Program for Women, Infants and Children (WIC Program). The regulations were issued on July 6, 1973 (38 FR 18447) to implement a program authorized by section 17 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1786). These amendments will modify existing provisions to conform to the requirements of Pub. L. 93–150, approved November 7, 1973, and will make other revisions on the basis of the Department's experience, thus far, with the WIC Program.

Pub. L. 93–150 authorized the grant of WIC funds to an Indian tribe, band or group recognized by the Department of the Interior and to the Indian Health Service of the Department of Health, Education and Welfare. Such Indian Organizations and the Indian Health Service were also included as types of agencies which may operate the program at the local level. Proposed amendments have been prepared, following consultation with the Indian Health Service, to implement these provisions.

Pub. L. 93–150 also extended the pilot program through Federal fiscal year 1975. Revisions are proposed to permit the operation of the WIC Program for at least the coming fiscal year.

Other proposed revisions are designed to:

1. protect the individual rights of all persons participating in the WIC Programs;
2. permit the use of dried whole milk in Puerto Rico;
3. implement the provisions of the Child Nutrition Act of 1966, as amended, which prohibit WIC program benefits being considered as income or resources under other programs;
4. standardize the application form used by local agencies and the form for agreements between FNS and State agencies;
5. modify the proceduces for funding the grants; and
6. make other changes to clarify the WIC Program objectives, policy and procedures.

Any interested person may submit data, views or arguments to the Hearing Clerk, Room 112A, Administration Building, U.S. Department of Agriculture, Washington, D.C. 20250. In order to be assured of consideration, such comments must be filed in duplicate and delivered on or before May 10, 1974, or postmarked no later than the same date. All comments received will be available for public inspection in the Office of the Hearing Clerk on weekdays (except Federal holidays) between the hours of 9:00 a.m. and 4:30 p.m. (7 CFR 1.27(b)). All relevant comments will be considered before the final Regulations are issued and these proposals may be revised in the light of any comments which are received.

The proposed amendments are as follows:

1. Section 246.1 is revised to read as follows:

§ 246.1 General purpose and scope.

(a) This part announces the policies and prescribes regulations for a pilot Special Supplemental Food Program for Women, Infants, and Children (WIC Program) to be operated in States and areas selected by FNS. Under the WIC Program, the Department shall provide cash grants to the health department or comparable agency of States, or to Indian tribes, bands or groups recognized by the Department of the Interior or to the Indian Health Service of the Department of Health, Education, and Welfare to enable State and local public or private nonprofit health agencies, or Indian tribes or the Indian Health Service to make specified nutritionally desirable foods available to pregnant women, lactating women, infants, and children.

(b) The Department shall also collect medical data and other material to evaluate the effect of food intervention upon populations which are at nutritional risk. The analysis, appraisal, and evaluation of the data and material will be performed by FNS or its designee. Further, the Department or its designee shall evaluate WIC Program operations for administrative efficiency and effectiveness in accomplishing program purposes.

2. In § 246.2, paragraph (c) is revoked and paragraphs (g), (k), (l), and (u) are revised as follows:

§ 246.2 Definitions.

* * * * *

(c) [Revoked]

* * * * *

(g) "Evaluation visit" means a visit to the local agency by WIC Program participants selected in accordance with FNS instructions during which they will be given the tests needed to obtain information required for the evaluation of the effect of food intervention.

* * * * *

(k) "Lactating women" means women who are breastfeeding an infant from birth up to one year of age and also means all women for a period of six weeks postpartum.

(l) "Local agency" means a health clinic which is operated by a State agency; by a political subdivision of a State; by an Indian tribe, band or group which is recognized by the Department of the Interior; by an Indian Health Service unit; or by a private nonprofit organization.

* * * * *

(u) "State agency" means the State health department or comparable agency of a State; or an Indian tribe, band or group recognized by the Department of the Interior; or the appropriate area office of the Indian Health Service of the Department of Health, Education, and Welfare.

* * * * *

3. In § 246.4, paragraph (c) is revised to read as follows:

§ 246.4 Use of funds.

* * * * *

(c) The use of WIC Program funds for food costs shall be subject to the following conditions:

(1) The method or delivery system for making supplemental foods available as described by the State agency (or the local agency whenever the State agency authorizes the design of such method or delivery system by the local agency) must be approved by FNS. FNS may, for a stated cause, at any time require revision of the method or delivery system for making supplemental foods available and, after a reasonable time, as defined by FNS, for the State or local agency to effect such revision, WIC Program funds shall be used in accordance with the revised method or delivery system.

(2) All of the basic supplemental foods, or the specified substitutes therefor, as indicated in § 246.13 shall be made available by each participating local agency.

* * * * *

4. In § 246.5, paragraphs (a) and (d) are revised to read as follows:

§ 246.5 Eligibility of local agencies.

* * * * *

(a) It provides health services, free or at less than the full charge customarily made for such services, to residents of an area in which a substantial proportion of the persons have low incomes;

* * * * *

(d) It has the personnel, expertise, facilities and equipment necessary for performing the measurements, tests and collection of data and other material specified by FNS or its designee for the WIC Program; and

* * * * *

5. In § 246.6, the second sentence and paragraphs (a), (b), (c), (k), (l), (m), and (n) are revised, and new paragraphs (l–1) and (n–1) are added as follows:

§ 246.6 Application by local agencies.

* * * Applications shall be made on the form prescribed by FNS and shall include the following:

(a) The name, address and telephone number of the local agency; the name of the official who shall be responsible for supervising WIC Program operations at the local level; the name and address of the organization which sponsors the local agency, if any, and the sources of funding for the local agency. A private nonprofit organization must also include the number of the certificates issued by the Internal Revenue Service granting tax-exempt status.

(b) The types and numbers of competent professionals on the staff of the local agency, by field of specialization, who will examine or interview persons to determine eligibility for the WIC Program and who will authorize supplemental foods for eligible persons.

(c) The types of health services offered by the local agency to pregnant or lactating women, infants and children; and a brief description of the financial, residential and other socioeconomic criteria applied to determine the eligibility of such individuals for health care, including treatment, free or at less than the customary full charge.

* * * * *

(k) A description of the method or delivery system which the local agency recommends to the State agency for making supplemental foods available to expected participants. This description must contain sufficient detail to permit State agency approval wherever the State agency has authorized design or operation, or both, of food delivery systems by local agencies.

(l) A description of any supplementype feeding program for the benefit of pregnant or lactating women, infants or children which is already in operation in the proposed project area or any portion thereof, including any such feeding program now being operated by the applicant. Include number of participants served by age group or other category, costs and items of food provided, delivery system used, administrative expenditures, sources of funding for administrative, food and other program expenditures, and an explanation of the expected relationship between any such program and the WIC Program. Include a description of the method which will be used to assure that WIC Program participants will not participate in the Department's Supplemental Food Program (7 CFR § 250.14) or Pilot Food Certificate Program (7 CFR Part 265).

(l–1) A description of any activities which will be carried out as an adjunct of or concomitant to the WIC Program (for example, any nutrition education effort) and the sources of funding for such activities.

(m) The estimated monthly WIC Program food costs and a brief description of the estimating techniques employed to calculate this figure;

(n) The estimated WIC Program administrative costs of the local agency by general type of expenditure, a brief justification for each such budgeted expenditure and, if the total administrative costs exceed the WIC Program funds which will be made available for such costs, the sources and amounts from each source which will be used to fund such costs. Nonrecurring costs shall be noted as such and listed as annual costs. All other administrative costs shall be computed on both a monthly and an annual basis.

(n–1) The estimated WIC Program clinic evaluation costs by general type of expenditure and a brief justification for each budgeted expenditure. Nonrecurring costs shall be noted as such and listed as annual costs. All other clinic evaluation costs shall be computed on both a monthly and an annual basis.

* * * * *

6. In § 246.7 the opening sentences of paragraph (a) and paragraphs (a)(4), (a)(5), (a)(6), (a)(7), and (a)(8) and paragraph (b) are revised to read as follows:

§ 246.7 State agency action on applications.

(a) The State agency shall transmit to FNSRO each application from a local agency which the State agency approves for the WIC Program and recommends to FNS for funding. With each application, the State agency shall include a letter stating that the State agency approves and recommends the local agency for funding, indicating whether the method or delivery system for making supplemental foods available will be designed by the State agency or the local agency and agreeing to take the necessary action to assure prompt implementation of the WIC Program by the local agency if selected by FNS for funding. Immediately following notification by FNS of the local agencies selected for participation, the State agency shall submit the following information:

* * * * *

(4) The estimated WIC Program administrative costs of the State agency by general type of expenditure, the estimated WIC Program food costs, if any, of the State agency and a brief justification for each of the budgeted expenditures;

(5) The method, if any, by which WIC Program funds to be used for administrative costs will be allocated between the State and local agency;

(6) If the estimated administrative costs will exceed the WIC Program funds which may be used for such purposes, the sources and amounts from each source which will be used to fund these excess administrative costs;

(7) A detailed description of the method or delivery system selected by the State agency for making supplemental foods available to participants and of the operating techniques which will be followed;

(8) A description of any activities which will be carried out by the State agency as an adjunct of or concomitant to the WIC Program (for example, any nutrition education effort) and the sources of funding for such activities;

* * * * *

(b) The State agency shall promptly notify in writing each local agency whose application is not transmitted to FNSRO of the reasons therefor and shall, in the case of a final rejection of an application, send a copy of such rejection to FNSRO.

7. Section 246.8 is revised to read as follows:

§ 246.8 Selection of local agencies.

(a) *General.* FNS shall select local agencies for participation in the WIC Program on the basis of the information contained in each application. Each application shall be thoroughly appraised. Local agencies shall be selected which, in the judgment of FNS, are most suited to the accomplishment of the purposes of this part. All local agencies selected shall be requested to furnish medical data and other material to enable FNS to make the evaluation referred to in § 246.16. FNS shall select local agencies for participation in the detailed medical evaluation prior to selecting the other local agencies for participation. The number of local agencies selected each fiscal year for the WIC Program shall be dependent upon the funds available to FNS.

(b) *Criteria for selection.* FNS shall select local agencies for participation in the WIC Program on the basis of the following criteria:

(1) The absence of any similar supplemental feeding program. While the absence of such a program shall be mandatory for local agencies included in the detailed medical evaluation, it shall be merely one of the factors by which all other applicants are rated;

(2) The expertise which the local agency has in conducting the necessary anthropometric measurements. In addition, local agencies shall be selected to participate in the detailed medical evaluation on the basis of their expertise in performing the required clinical tests and in processing blood, serum or plasma for shipment to FNS or its designee;

(3) The severity of nutritional risk and other health problems which affect residents of the proposed project area;

(4) The percentage of residents in the proposed project area with low incomes and other factors which could affect the ability of such residents to secure adequate nutrition;

(5) The number of expected participants in each category of eligible persons and any demographic characteristics which could affect the WIC Program evaluation;

(6) The suitability of the proposed system for making food available to participants and the utility of that system for program evaluation purposes.

(c) *Notification.* Each State agency shall be notified in writing by FNS of the action taken on each application transmitted by that State agency. The notification shall list the amount of funds which FNS shall make available to the State agency. In addition, FNS shall publicly announce all selected local agencies and the amount of funds made available to each State agency.

8. In § 246.9, paragraph (a) is revised; and paragraph (b) is amended by deleting from paragraph (b)(2) the last word "and", by deleting the period from paragraph (b)(3) and inserting a semicolon therefor, and by adding a new paragraph (b)(4), as follows:

§ 246.9 Agreements.

(a) Each selected State agency shall enter into a written agreement with the Department for each fiscal year before any funds authorized for the WIC Program are made available to such State agency by FNS under this part for that fiscal year. The agreement shall be executed by the appropriate State agency official and by the Administrator of FNSRO on behalf of the Department. The agreement shall be in the form prescribed by FNS and shall incorporate the terms and conditions set forth in this part. The agreement shall also contain any additional provisions that are required by law or may be necessary for WIC Program administration, operation or evaluation, including specific provisions on:

(1) *Nondiscrimination.* An assurance that the State agency shall comply with the requirements of the Department's regulations respecting nondiscrimination (Part 15 of this title) to the end that no person shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the WIC Program and a further assurance that no person shall be subjected to any discrimination under the WIC Program because of creed, political beliefs or sex.

(2) *Public Information.* A statement that WIC Program regulations, instructions, and other documents which do not pertain to individual participants shall be made available to the public upon request.

(3) *Program Promotion.* A guarantee of assistance to the Department in its efforts towards WIC Program promotion and nutrition education.

(b) * * *

(4) The local agency will secure and document an informed consent, as set forth in § 246.11, from each participant (parent or guardian of a participating infant or child) who is included in the medical evaluation component of the WIC Program.

9. Section 246.10 is revised to read as follows:

§ 246.10 Payments to States.

FNS shall issue a Letter of Credit in favor of each State agency having an agreement with the Department under this part. The State agency shall obtain needed funds through presentation by designated officials of a Payment Voucher on Letter of Credit in accordance with procedures prescribed by FNS and approved by the U.S. Treasury Department. Withdrawals (advances) against the Letter of Credit shall be made only in amounts necessary to meet actual current disbursement needs. The advanced funds shall be used without delay to pay currently approved costs. Advances made by the State agency to local agencies shall be made only in amounts necessary to meet actual current disbursement needs of the local agency and shall be used without delay by the local agency to pay currently approved costs.

10. In § 246.11, paragraph (a) and (d) are revised, paragraph (e) is revised and redesigned paragraph (g) and new paragraphs (e) and (f) are added as follows:

§ 246.11 Records and Reports.

(a) *General.* Each State agency and local agency selected to participate in the WIC Program shall maintain full and complete records concerning program operations. All such records shall be retained for three years following the end of the Federal fiscal year to which they pertain. However, the Department may, by written notice, require retention of any records deemed by it to be necessary for resolution of an audit or of any litigation. If the Department deems any of the program records to be of historical interest, it may require the State or local agency to forward such records to the Department whenever such agency is disposing of them. All records shall be available during normal business hours for representatives of the Department and of the General Accounting Office of the United States to inspect, audit and copy, provided that medical case records of individual participants shall remain confidential.

* * * * *

(d) *Medical records.* The local agency shall record during each evaluation visit, at a minimum, the following data: height (first visit only for pregnant or lactating women); weight, and head circumference (infants only). Mortality and morbidity data will be recorded whenever available. If the local agency is obtaining results of hemoglobin or hematocrit test on WIC participants, such results shall be recorded with the WIC Program medical records. Those local agencies participating in the detailed medical evaluation of the WIC Program shall keep such additional medical records as FNS or its designee shall require.

(e) *Informed consent records.* Written documentation of the informed consent of each adult participant and of the parent or guardian of each infant or child participant included in the medical evaluation component shall be obtained during the initial evaluation visit of the participant and shall not contain any waiver of the legal rights of the participant or of the parent or guardian. Each local agency shall have on file the procedure followed and any statements made to participants, or information supplied

them, when their informed consent to participate in the medical evaluation component of the WIC Program was sought.

(f) *Civil Rights records.* The local agency shall maintain participation data that shows participation by racial and ethnic groups. The data should identify participants as White, Negro or Black, American Indian, Spanish-surnamed, Oriental and other.

(g) *Reports.* State agencies and local agencies shall submit reports regarding the use of funds received under this part, participation in the WIC Program, and data necessary to permit evaluation of administrative performance and of the effect of food intervention upon participants. Such reports shall be submitted on or before the 20th of the month following the month for which data and information are requested by FNS, in a form specified by FNS, and mailed in accordance with instructions from FNS. All Civil Rights reports shall be based on reviewable records, reported quarterly on or before the 15th of the month following the end of a calendar quarter or as required by FNS, and reported in the form specified by FNS.

11. Section 246.12 is revised to read as follows:

§ 246.12 Eligibility of persons.

Pregnant or lactating women, infants and children, whether they (or the parent or guardian of any infant or child) have or have not given their informed consent to participate in the medical evaluation, are eligible to receive supplemental foods under the WIC Program if:

(a) They reside in an approved project area;

(b) They are certified for treatment free or at less than the full charge customarily made for such services by the participating local agency which serves the project area wherein they reside; and

(c) Their individual needs for the supplemental foods described in § 246.13 are determined through medical examination or interview by a competent professional on the staff of the participating local agency.

12. In § 246.13, paragraphs (a)(1)(i), (a)(2) and (b) are revised and the table in paragraph (b) is revised by adding, after "evaporated milk," a provision for dried whole milk to be used in Puerto Rico as follows:

§ 246.13 Supplemental foods.

(a) * * *

(1) * * *

(i) * * *

Substitutes. Whole fluid milk fortified with 400 International Units of vitamin D per quart, or evaporated milk fortified with 400 International Units of vitamin D per reconstituted quart, or, in Puerto Rico only, dried whole milk fortified with 400 International Units of vitamin D per reconstituted quart, may be substituted for iron fortified infant formula for infants after six months of age.

* * * * *

(2) For children and pregnant or lactating women:

(i) Whole fluid milk fortified with 400 International Units of vitamin D per quart; or evaporated milk fortified with 400 International Units of vitamin D per reconstituted quart; or skim or low fat milk fortified with 400 International Units of vitamin D and at least 1500 International Units of vitamin A per fluid quart or the minimum amount required by the Food and Drug Administration, whichever is greater; or nonfat dry milk fortified with 400 International Units of vitamin D and 2000 International Units of vitamin A per reconstituted quart; or, in Puerto Rico only, dried whole milk fortified with 400 International Units of vitamin D per reconstituted quart; or cheese (Swiss, Natural cheddar or pasteurized process American).

(ii) Cereal (hot or cold) which contains a minimum of 30 milligrams of iron per 100 grams of dry cereal.

(iii) Fruit or vegetable juice, or both, which contains a minimum of 30 milligrams of vitamin C per 100 milliliters.

(iv) Eggs.

(b) Supplemental foods shall be made available upon an authorization by a competent professional in accordance with the individual needs of each eligible participant in amounts up to the following maximum quantities:

Foods	Units[a]	Maximum number of units per month	
		Infants	Children and pregnant or lactating women
*	*	*	*
Dry whole milk.	1-pound can.	In Puerto Rico, may be substituted for whole fluid milk at the rate of one can per three quarts of whole fluid milk.	
*	*	*	*

13. Section 246.15 is amended by adding a new paragraph (a–1) as follows:

§ 246.15 Miscellaneous.

* * * * *

(a–1) The value of benefits or assistance available under the WIC Program shall not be considered to be income or resources of participants or their families for any purpose under Federal or State laws including, but not limited to, laws relating to taxation, welfare and public assistance programs.

* * * * *

14. A new § 246.16 is added to read as follows:

§ 246.16 Medical evaluation.

(a) *General.* An evaluation of the effects of food intervention on the general health and development of participants shall be performed by FNS or its designee. Local agencies will collect the data and other material necessary for this evaluation. FNS or its designee will determine the specific anthropometric measurements and clinical tests to be performed. Those measurements and tests selected will present minimal risk to participants and will be accepted medical procedures. FNS or its designee will standardize the methods used by participating local agencies in making the required measurements and tests and in collecting data and other material. The results of tests on individual participants found to be therapeutically significant will be furnished to the appropriate local agency. All information concerning individual participants will be released only to persons directly connected with the WIC Program. Only those participants who consent (or, in the case of infants and children, whose parents or guardians consent) will be included in the medical evaluation. Failure of a participant (or of his or her parent or guardian) to grant such consent will not affect such person's eligibility for supplemental foods. Consent may be withdrawn at any time and such withdrawal will not affect a participant's continuing eligibility for supplemental foods.

(b) *Detailed Medical Evaluation.* Local agencies judged by FNS to serve a population representative of the target group in the United States and with the necessary capabilities will be selected to participate in a detailed medical evaluation of the program. These local agencies will perform required clinical tests and process blood, serum or plasma for shipment to FNS or its designee. Blood samples of consenting infant and child participants (consent given by parent or guardian) will be drawn by a microlancet from a finger or heel prick under sterile procedures and subjected to microanalysis for hemoglobin, hematocrit, albumin, transferrin and iron. Samples will also be taken from consenting women participants and subjected to similar analysis. Some samples from women will be analyzed for vitamin A content. In addition to these test results, dietary histories, anthropometric measurements and other data required by FNS will determine the benefits of the supplemental foods on the participants.

(c) *Partial medical evaluation.* All selected local agencies not participating in the detailed medical evaluation will perform anthropometric measurements on consenting participants. These measurements will include the heights and weights of pregnant and lactating women, infants, and children and the head circumference of infants. Local agencies which normally perform hematocrit or hemoglobin tests will provide these data and the above measurements to FNS or its designee for analysis, appraisal, and evaluation to determine the benefits to participants from the supplemental foods.

Signed at Washington, D.C., on April 8, 1974.

CLAYTON YEUTTER,
Assistant Secretary.

[FR Doc.74–8378 Filed 4–10–74;8:45 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 74–GL–6]

VOR FEDERAL AIRWAY

Alteration

The Federal Aviation Administration (FAA) is considering an amendment to Part 71 of the Federal Aviation Regulations that would realign V–214 in part, to extend from Richmond, Ind., via the Richmond 097° T/M radial to V–5 (South Solon, Ohio, INT) thence via V–5 to the Zanesville, Ohio, 274°T (277°M) radial.

Interested persons may participate in the proposed rule making by submitting such written data, views or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Great Lakes Region, Attention: Chief Air Traffic Division, Federal Aviation Administration, 2300 East Devon, Des Plaines, Ill. 60018. All communications received by May 13, 1974 will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue, SW., Washington, D.C. 20591. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The proposed amendment would establish an airway over a route frequently used as a radar vector route, thereby resulting in reduction of the communication workload.

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

Issued in Washington, D.C., on April 4, 1974.

CHARLES H. NEWPOL,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.74–8304 Filed 4–10–74;8:45 am]

CIVIL AERONAUTICS BOARD

[Economic Reg. Docket No. 26578]

[14 CFR Part 241]

LEASE TRANSACTIONS

Disclosure Standards

Notice is hereby given that the Civil Aeronautics Board has under consideration an amendment to Part 241 of its Economic Regulations (14 CFR Part 241), which would require air carriers to disclose on the face of their Form 41 Balance Sheets filed with the Board financing leases of certain personal property and equipment.

The principal features of the proposed amendment are described in the attached Explanatory Statement and the proposed amendment is set forth in the Proposed Rule. The amendment is proposed under the authority of sections 204(a) and 407 of the Federal Aviation Act of 1958, as amended (72 Stat. 743, 766; 49 U.S.C. 1324, 1377).

Interested persons may participate in the proposed rule making through submission of twelve (12) copies of written data, views or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C. 20428. All relevant material received on or before May 13, 1974, will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available for examination by interested persons in the Docket Section of the Board, Room 712, Universal Building, 1825 Connecticut Avenue, NW., Washington, D.C., upon receipt thereof.

Dated: April 5, 1974.

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

EXPLANATORY STATEMENT

In EDR–199, issued April 22, 1971, the Board expressed concern over the inconsistent pattern of reporting vital financial and operating aspects of leases in footnotes to financial statements. Further, the Board expressed the view that such reporting frequently obscures rather than discloses pertinent information and, accordingly, we proposed balance sheet disclosure of certain long-term leases. Although the proposed balance sheet disclosure was not adopted at the time, the Board has continued to study the impact of leasing activities on the air transport industry, the problems of accounting and reporting for lease transactions, and related developments within various professional accounting associations.

As of June 30, 1973, the constructive asset value[1] of airline industry property obtained under long-term leases (three years or more, noncancelable) exceeded $5 billion, while the value of owned property at the same date was $15.2 billion. Thus, approximately one fourth of all property used by air carriers, was leased. As of the same date, the total remaining commitment on long-term leases was $6 billion, including $4.2 billion related to flight equipment.[2] This total remaining commitment was slightly larger than the total industry nontrade debt.

As can be seen from the foregoing, leasing activities have come to play a significant role in financing asset acquisitions in the air transport industry. In our view, long-term noncancelable leases constitute a long-term drain on working capital and represent an inescapable financial burden as real as any bank loan or conditional sales contract. Moreover, such leases assure the use of an asset over a period desired by the lessee as certainly as if the asset had been acquired through mortgage financing. Based on this analysis, we believe that the obligations to pay for noncancelable long-term leases and the property rights to which they give rise must be disclosed on the face of the financial statements rather than in the footnotes. Such disclosure would allow investors and other users of financial statements to make meaningful comparisons between members of the air transport industry which finance property and equipment acquisitions with long-term debt or equity capital and those which obtain the use of such property and equipment through long-term noncancelable leases.

This view was manifested in the form of an Observation by the Board's Bureau of Accounts and Statistics dated April 20, 1973. This Observation solicited the views of the air carriers on a possible accounting solution, for Board purposes, in light of the lack of a satisfactory solution by professional accounting associations. Generally speaking, the carrier responses suggested that action be deferred pending positive resolution by the public accounting profession. However, the latest pronouncement by the Accounting Principles Board of the American Institute of Certified Public Accountants (AICPA) did little more than provide for expanded footnote disclosure of leasing transactions.[3]

More recently, the Securities and Exchange Commission (SEC) amended its Regulation S–X so as to define the criteria for "financing leases" which may be capitalized on the books of lessee. The amendment defines financing leases as "* * * a lease which during the noncancelable lease period, either (i) covers 75 percent or more of the economic life of the property or (ii) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to a limited risk in the realization of the residual interest in the property and the

[1] As reported on Form 41 Schedule B–14, the constructive asset value represents the estimated cost to the lessor if stipulated in the lease agreement or the cost of comparable owned property and equipment.

[2] As reported on CAB Form 41 Schedule B–14.

[3] Accounting Principles Board Opinion No. 31, "Disclosure of Lease Commitments by Lessees," called for disclosure in notes to the financial statements of the following: (1) total lease rental expense, reduced by rental income from subleases, for all leases in excess of one month, presented for each year in which an income statement is prepared; (2) minimum rental commitments under all leases with initial or remaining noncancelable terms of more than one year for (a) each of the five succeeding fiscal years, (b) each of the next three five-year periods, and (c) the remainder as a single amount; and (3) any other information necessary to assess the effect of leases upon financial position, results of operations and changes in financial positions.

credit risks generally associated with secured loans." [4]

While the actions taken by the public accounting profession represent an improvement over past disclosure requirements, the Board does not believe they will adequately disclose the nature, magnitude or impact of leasing activities in this industry. This, coupled with the uncertainty of future improvements in disclosure standards, necessitates that the Board take action at this time. Therefore, the Board proposes to amend its system of accounts and reports to require obligations to pay for certain long-term leases and the corresponding rights to use leased assets to be recorded as liabilities and assets in the balance sheet.

The proposed rule would require that any financing lease (as defined by the Securities and Exchange Commission in Regulation S–X) of personal property, having a term or terms in excess of one year, including terms of extension or renewal options, and aggregate rental payments in excess of $550,000, be recorded in the balance sheet of the lessee. For the purposes of this regulation, capitalizable personal property will include flight equipment and ground property and equipment. It will not include leases of: Terminal facilities, which are necessary to meet operational needs of air carriers and are generally not available for sale; data processing equipment, which does not constitute a significant portion of the total constructive asset value of leased property and equipment reported by carriers; [5] and office facilities or real property, which are subject to a variety of terms, conditions and limitations and, generally speaking, are composed of a large volume of leases, having small dollar impact when considered on an individual basis.

To achieve balance sheet disclosure, new accounts in the property and equipment category (Leased Personal Property and Equipment-Flight and Leased Personal Property and Equipment-Ground) and in the current and noncurrent liability categories (Lease Contract Liability) will be established. The recording of lease expense in the income statement will be split between a new account, Leased Personal Property Expense, and a new subaccount under Interest and Debt Expense entitled "Interest Expense-Leases."

The amount to be recorded in the balance sheet would be the present value of the future lease payments [6] using the interest rate stated or implied on the lease [7] or the imputed prevailing interest rate if the lease does not contain an interest rate. The liability and the asset will be reduced in equal installments. The liability (principal) will be charged to the new "Leased Personal Property Expense" account and the interest (stated or imputed) to the "Interest Expense-Leases" subaccount.[8]

ILLUSTRATIVE JOURNAL ENTRIES

FIRST YEAR

Leased Personal Property and Equipment-Flight	$893,020
Lease Contract Liability	893,020

To record the noncancelable liability and the corresponding lease rights.

Lease Contract Liability	178,604
Interest Expense-Leases	21,396
Cash	200,000

To record the annual rental payment.

Leased Personal Property Expense	178,604
Leased Personal Property and Equipment-Flight	178,604

To record the amortization of the asset account equal to the amortization of Lease Contract Liability.

SECOND YEAR

Lease Contract Liability	178,604
Interest Expense-Leases	21,396
Cash	200,000

To record annual rental payment on Lease Contract Liability of which $21,396 represents straight line interest at 6 percent.

Leased Personal Property Expense	178,604
Leased Personal Property & Equipment-Flight	178,604

To record the amortization of the asset account equal to the amortization of Lease Contract Liability.

It is anticipated that most leases will be amortized on a monthly basis; however, for illustration purposes, annual lease periods are used.

In order to supplement the proposed balance sheet exposure of leases, certain revisions to Schedule B–14, "Summary of Property Obtained Under Long-Term Leases," would be necessary. The proposed revisions would clarify information in regard to the present value of remaining lease commitments, the annual lease cost components, and the imputed interest rate, and would also designate the lessor and require the reporting of the constructive asset value of property obtained by lease.

Due to the high degree of inconsistency in current reporting and the Board's desire to make the carriers' financial statements more meaningful, we intend to conclude this rule making as expeditiously as possible, so that any rules which we adopt herein may be made effective for reports covering the period ending June 30, 1974. This proposed disclosure is for financial statement purposes only and is not a determination for rate or other substantive purposes..

PROPOSED RULE

It is proposed to amend Part 241 of the Economic Regulations (14 CFR Part 241) as follows:

1. Amend the table of contents to the Uniform System of Accounts and Reports to insert a reference to a new section 2–20 so that the table, in pertinent part, reads as follows:

* * * * *

Sec.
2–19 Accounting for pension plans.
2–20 Lease transactions.

* * * * *

Section 03—[Amended]

2. Amend section 03—Glossary, to add the terms "lease, financing," "lease, long-term" and "lease, short-term," in the correct alphabetical listing, to read as follows:

* * * * *

Lease, financing. A noncancelable lease contract, not constituting a conditional sale, which during its noncancelable period either (1) covers 75 percent or more of the economic life of the property, or (2) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk of the residual interest in the property and the credit risks generally associated with secured loans.

Lease, long-term. A lease contract, not constituting a conditional sale, for a term or terms in excess of one year including terms of extension or renewal at the option of the lessee. Such a lease contract shall still be considered long-term leases, even when less than one year remains until its expiration.

Lease, short-term. A lease contract, not constituting a conditional sale, for a term or terms of one year or less including terms of extension or renewal at the option of the lessee.

* * * * *

[4] Securities and Exchange Commission—Accounting Series Release No. 147/October 5, 1973.

[5] Reported on Schedule B–14, "Summary of Property Obtained Under Long-Term Leases," as at June 30, 1973.

[6] The present value of future lease payments is the sum, at the date the lease was executed, that represents the discounted values of each lease payment. The discounted value is computed using the interest rate specified or implied in the lease, or if this cannot be determined, the lessee's imputed prevailing interest rate at the time of the lease, and is equal to the sum at the date the lease was executed, that would have to be invested at the interest rate as computed above, to yield the periodic payments stated in the lease. For example, the present value of an annuity due of five annual payments of $200,000, where the applicable interest rate is 6 percent, is $893,020, computed as follows:

Annual Payment	Present value factor from compound interest tables "present value of an annuity of 1" having five payments-6 percent (adjusted to reflect first payment at inception of lease—"present value of an annuity due")	Present value (rounded)
$200,000	4.465106	$893,020

[7] The Board realizes that few leases will state such an interest rate; however, we are of the tentative view that the stated rate should be used whenever possible.

[8] Assuming the same facts as in footnote 6, the schedule of payments and first- and second-year journal entries would be as follows:

	Schedule of Payments		
Year	Annual lease payment	Asset and liability reduction	Interest
1	$200,000	$178,604	$21,396
2	200,000	178,604	21,396
3	200,000	178,604	21,396
4	200,000	178,604	21,396
5	200,000	178,604	21,396
	1,000,000	893,020	106,980

Section 2—Introduction to System of Accounts and Reports

3. Amend section 2—Introduction to System of Accounts and Reports, as follows:

A. By adding subparagraph (3) to paragraph (a) of section 2–12, *Acquisition and valuation of assets,* to read:

Sec. 2–12 Acquisition and valuation of assets.

(a) * * *

(3) Leased personal property requiring balance sheet disclosure, as specified in section 2–20, shall be recorded at the value computed in accordance with that section.

* * * * *

B. By adding section 2–20—Lease Transactions, to read:

Sec. 2–20 Lease transactions.

(a) Personal property (other than terminal facilities, computer operations, or office space) covered by a long-term financing lease having an aggregate rental payment in excess of $500,000 shall be included in the appropriate asset and liability accounts at the present value of the future lease payments. Present value shall be computed using either the interest rate specified or implied in the lease or, if this cannot be determined, the lessee's prevailing interest rate at the date of the lease and shall equal the discounted value of each lease payment at that rate. Assets shall be recorded in Accounts 1696, Leased Personal Property and Equipment-Flight, and 1697, Leased Personal Property and Equipment-Ground, while the liability shall be recorded in Accounts 2170 and 2270, Lease Contract Liability.

(b) The asset and liability accounts shall be reduced in equal amounts over the term of the lease.

(c) The portion of lease payments computed as the reduction in the asset and liability account shall be treated as an operating expense and recorded in classification 48, Leased Property Expense. The remainder of the lease payment shall be included in the Interest Expense-Lease subclassification.

(d) All other property and equipment obtained under an agreement for lease or lease with option to purchase, not constituting a conditional sale, shall not be recorded on the boks of the lessee until actual purchase, at which time, the price at actual date of purchase plus leasehold improvements shall be recorded in the appropriate property and equipment accounts.

(e) Property obtained under agreement for lease or lease with option to purchase, constituting a conditional sale, shall be included in the air carrier's accounts and reports in accordance with section 5–3, Property and Equipment.

Section 3—Chart of Balance Sheet Accounts

4. Amend section 3—Chart of Balance Sheet Accounts, in pertinent part, to read as follows:

Name of account	Operating	Non-operating
* * *	*	*
Construction work in process	1689	1789
Leased personal property and equipment-flight	1696	1796
Leased personal property and equipment-ground	1697	1797
* * *	*	*
	General Classification	
Unearned transportation revenue	2160	
Lease contract liability	2170	
Other current liabilities	2190	
* * *	*	*
Company stock purchase plan liability	2260	
Lease contract liability	2270	
Other noncurrent liabilities	2290	
* * *	*	*

Section 5—Balance Sheet Account Groupings

5. Amend section 5—Balance Sheet Account Groupings, as follows:

A. By revising paragraphs (c) and (e)(1), (11), and (12) of Section 5–3, *Property and equipment* to read as follows:

Sec. 5–3 Property and equipment.

(c) Property and equipment obtained under an agreement for lease or lease with option to purchase, not constituting a conditional sale, shall be treated in accordance with the provisions of section 2–20.

* * * * *

(e) * * *

(1) Investment in property and equipment shall be recorded at total cost including all expenditures applicable to acquisition, other costs of a preliminary nature, costs incident to placing in position and conditioning for operations, and costs of additions, betterments, improvements, and modifications, with the exception of personal property and equipment obtained by lease as specified in section 2–20, Lease Transactions.

* * * * *

(11) The air carrier shall maintain property and equipment records setting forth the description of all property and equipment recorded in balance sheet classifications 1600 and 1700, Property and Equipment, with the exception of leased property and equipment included in accounts 1696, 1697, 1796, and 1797. With respect to each unit or group of property or equipment, the record shall show the date of acquisition, the original cost, the cost of additions and betterments, the cost of parts retired, rates of depreciation, residual values not subject to depreciation, and the date of retirement or other disposition.

(12) Property and equipment loaned, in the custody of, or consigned to the air carrier without a purchase obligation, with the exception of leased property and equipment as specified in section 2–20, shall not be recorded in the same manner as similar classes or types of property purchased by the air carrier. The property and equipment accounts shall not be charged with the value of such property, and liability accounts shall not be established: *Provided, however,* That appropriate memoranda accounts may be maintained.

* * * * *

Section 6—Objective Classification of Balance Sheet Elements

6. Amend section 6—Objective Classification of Balance Sheet Elements, as follows:

A. By adding a new account, 1696—Leased Personal Property and Equipment-Flight, to read:

1696 Leased Personal Property and Equipment-Flight.

Record here the value of leases for flight personal property and equipment as specified in section 2–20, Lease Transactions.

B. By adding a new account, 1697—Leased Personal Property and Equipment-Ground, to read:

1697 Leased Personal Property and Equipment-Ground.

Record here the value of leases for ground personal property and equipment as specified in section 2–20, Lease Transactions.

C. By amending account 1700—Nonoperating Property and Equipment, to read:

1700 Nonoperating Property and Equipment.

The total cost to the air carrier of nonoperating property and equipment and related reserves for depreciation shall be recorded in balance sheet accounts 1701 and 1797 which, as set forth in section 3, Chart of Balance Sheet Accounts, parallel those established above, balance sheet accounts 1601 through 1697, for recording the cost of operating property and equipment.

D. By adding a new account 2170—Lease Contract Liability, to read:

2170 Lease Contract Liability.

Record here the portion of the liability for property and equipment obtained under lease contracts, as specified in section 2–20, to be reduced within one year.

E. By revising account 2190—Other Current Liabilities, to read:

2190 Other Current Liabilities.

Record here current and accrued liabilities not provided for in accounts 2110 to 2170, inclusive.

F. By adding a new account 2270—Lease Contract Liability, to read:

2270 Lease Contract Liability.

Record here the liability for property and equipment obtained under lease contracts, excluding the portion to be reduced within one year, as specified in section 2–20.

G. By revising account 2290—Other Noncurrent Liabilities, to read:

2290 Other Noncurrent Liabilities.

Record here noncurrent liabilities not provided for in balance sheet accounts 2210 to 2270, inclusive, such as accruals for personnel dismissal liability, and accruals of other demonstrable miscellaneous noncurrent liabilities.

Section 7—Chart of Profit and Loss Accounts

7. Amend section 7—Chart of Profit and Loss Accounts, in pertinent part, to read as follows:

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
* * *	*	*	*
47 Rentals	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62. 63, 65, 66, 68.
48 Leased personal property expense	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62. 63, 65, 66, 68.
* * *	*	*	*
87.4 Amortization of premium on debt	81	81	81.
87.5 Interest expense leases	81	81	81.

* * * * *

Section 13—Objective Classification—Operating Expenses

8. Amend section 13—Objective Classification—Operating Expenses, as follows:

A. By inserting, following account 47—Rentals, a new account 48—Leased Personal Property Expense, to read:

48 Leased Personal Property Expense.

Record here the portion of periodic lease payments, on property and equipment given balance sheet disclosure, considered current period expense, as specified in section 2–20.

Section 14—Objective Classification—Nonoperating Income and Expense

9. Amend section 14—Objective Classification—Nonoperating Income and Expense by revising account 87—Interest and Debt Expense, to read:

87 Interest and Debt Expense.

(a) Record here interest on all classes of debt, including interest on unpaid taxes; premiums, discount, and expense on short-term obligations; and amortization of premium, discount, and expense on short-term and long-term obligations. This account shall also include credits for interest capitalized and recorded in asset accounts pursuant to section 2–10 and the interest portion of periodic lease payments as applicable to leased property and equipment included in balance sheet accounts pursuant to section 2–20.

(b) This account shall be subdivided as follows by all air carrier groups:

87.1 Interest on Debt Principal.
87.2 Interest Capitalized—Credit.
87.3 Amortization of Discount and Expense on Debt.
87.4 Amortization of Premium on Debt.
87.5 Interest Expense—Leases

Section 23—Certification and Balance Sheet Elements

10. Amend section 23—Certification and Balance Sheet Elements, as follows:

A. By adding a new paragraph (h) to Schedule B–5—Property and Equipment, to read:

Schedule B–5—Property and Equipment

* * * * *

(h) This schedule shall not include property and equipment disclosed in the balance sheet as specified in section 2–20.

B. By revising paragraphs (c) and (e) of Schedule B–14—Summary of Property Obtained Under Long-Term Leases and adding new paragraphs (f), (g), (h) and (i) such revised and new paragraphs to read:

Schedule B–14—Summary of Property Obtained Under Long-Term Leases

* * * * *

(c) This schedule shall reflect data for all leases in force at the report date which have a term or terms in excess of one year including terms of extension or renewal at the option of the lessee. However, leases of property and equipment, other than flight equipment, which are not of material financial impace may be excluded: *Provided,* That a statement is submitted for approval by the Board's Director, Bureau of Accounts and Statistics, which describes the policy applied for exclusion of leases not considered material and the percentage of the total lease commitment which they represent.

* * * * *

(e) Column 5 shall reflect the total remaining commitment under the lease. This commitment shadd equal the remaining lease payments due in accordance with the terms of the lease, including extension and renewals at the option of the leasee unless the lessor has been formally notified that the extension or renewal provisions will not be exercised.

(f) Column 6 shall reflect the present value of the total remaining commitment. The remaining lease payments should be discounted to present value using the imputed interest rate shown in column 11. The present value of future lease payments can normally be obtained by utilizing the uniform payment present value factor (present value of annuity of 1 per period) for the periods and interest rate related to the lease terms.

(g) Column 7 shall reflect the total lease payments due in the next 12 months. This amount shall be further broken down into separate cost components in columns 8 through 10. Column 8 should reflect the amount representing the straight-line amortization of the present value as determined in paragraph (f) above. Similarly, column 9 should reflect the amount representing straight-line amortization of interest costs (stated or imputed). Column 10 should reflect the amount of other costs which will be paid under the lease such as overhaul provisions, taxes and other lease service costs.

(h) Column 11 shall reflect the imputed interest rate applicable to the lease. This rate shall equal either the interest rate specified or implied in the lease, or if this cannot be determined, the lessee's imputed prevailing interest rate.

(i) Column 12 shall reflect the remaining months under the lease, including extensions and renewals at the option of the lessee unless the lessor has been formally notified that the extension or renewal period will not be exercised. Column 13 shall indicate whether the lease contains purchase option provisions by insertion of the word "Yes" or "No." Column 14 shall reflect the name of the lessor.

Section 33—Certification and Balance Sheet Elements

11. Amend section 33—Certification and Balance Sheet Elements, by revising paragraph (c) of Schedule B–14—Summary of Property Obtained Under Long-Term Leases, and adding a new paragraphs (e), (f), (g), (h) and (i) such revised and new paragraph to read:

Schedule B–14 Summary of Property Obtained Under Long-Term Leases

* * * * *

(c) This schedule shall reflect data for all leases in force at the report date which have a term or terms in execss of one year including terms of extension or renewal at the option of the lessee. However, leases of property and equipment, other than flight equipment, which are not of material financial impact may be excluded: *Provided,* That a statement is submitted for approval counts and Statistics, which describes by the Board's Director, Bureau of Accounts and Statistics, which describes the policy applied for exclusion of leases not considered material and the percentage of the total lease commitment which they represent.

* * * * *

(e) Column 5 shall reflect the total remaining commitment under the lease. This commitment shall equal the remaining lease payments due in accordance with the terms of the lease, including extension and renewals at the option of the lessee unless the lessor has been formally notified that the extension or renewal provision will not be exercised.

(f) Column 6 shall reflect the present value of the total remaining commitment. The remaining lease payments should be discounted to present value using the imputed interest rate shown in column 11. The present value of future lease payments can normally be obtained

by utilizing the uniform payment present value factor (present value of annuity of 1 per period) for the periods and interest rate related to the lease terms.

(g) Column 7 shall reflect the total lease payments due in the next 12 month. This amount shall be further broken down into separate cost components in colums 8 through 10. Column 8 should reflect the amount representing the straight-line amortization of the present value as determined in paragraph (f) above. Similarly, column 9 should reflect the amount representing straight-line amortization of interest costs (real or imputed). Column 10 should reflect the amount of other costs which will be paid under the lease such as overhaul provisions, taxes and other lease service costs.

(h) Column 11 shall reflect the imputed interest rate applicable to the lease. This rate shall equal either the interest rate specified or implied in the lease, or if this cannot be determined, the lessee's imputed prevailing interest rate.

(i) Column 12 shall reflect the remaining months under the lease, including extensions and renewals at the option of the lessee unless the lessor has been formally notified that the extension or renewal period will not be exercised. Column 13 shall indicate whether the lease contains purchase option provisions by insertion of the word "Yes" or "No." Column 14 shall reflect the name of the lessor.

Form 41 [Amended]

12. Amend Schedule B–1 of Form 41 by adding asset and liability accounts 1696, 1697, 1698, 1798, 2170, and 2270, as shown in exhibit A attached hereto [9] and made a part hereof.

13. Revise Schedule B–14 of Form 41 to read as shown in exhibit B attached hereto [9] and made a part hereof.

14. Amend Schedule P–3 of Form 41 by adding account 87.5 Interest Expense—Leases, as shown in exhibit C attached hereto [9] and made a part hereof.

15. Amend Schedules P–5.1, P–5.2, P–6, P–7, and P–8 of Form 41 by adding account 48 Leased Personal Property Expense, as shown in Exhibits D, E, F, G, and H attached hereto [9] and made a part hereof.

[FR Doc.74–8338 Filed 4–10–74;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

[40 CFR Part 80]

FUELS AND FUEL ADDITIVES

Proposed Restrictions on Use of Unleaded Gasoline

On January 10, 1973, the Environmental Protection Agency promulgated regulations providing for the general availability of unleaded gasoline by July 1, 1974 for use in 1975 model year motor vehicles requiring this fuel. (40 CFR Part 80). Unleaded gasoline is defined in the regulations as gasoline containing not more than 0.05 gram of lead per gallon and not more than 0.005 gram of phosphorus per gallon.

Section 80.22 of the regulations prohibits a gasoline retailer from introducing or causing or allowing the introduction of leaded gasoline into a vehicle labeled "unleaded gasoline only" or equipped with a gasoline tank filler inlet which is designed for the introduction of unleaded gasoline only. This prohibition is violated if the retailer deliberately or negligently uses a gasoline pump intended for the introduction of leaded gasoline, or if the gasoline contained in the unleaded gasoline tank at the retail outlet exceeds the allowable levels of lead or phosphorus.

Section 80.23 sets forth the conditions under which retailers and suppliers will be deemed in violation of the prohibition against introducing leaded gasoline into a vehicle requiring unleaded gasoline. In all cases where gasoline from a retailer's unleaded gasoline pump is found to exceed the standards for lead or phosphorus content, the retailer is deemed to be in violation, unless he can demonstrate that the violation was not caused by him or his employee or agent. (§ 80.23(b)(1)). The retailer alone is deemed in violation if he or his employees or agents deliberately or negligently introduce gasoline from the pump dispensing leaded gasoline into a vehicle requiring unleaded gasoline only. (§ 80.23(c)).

Gasoline suppliers are also deemed in violation if the gasoline contained in a retailer's unleaded gasoline tank is found to exceed the standards established by the regulations. Branded gasoline refiners are deemed in violation for failure of unleaded gasoline to comply with the standard where the corporate, trade, or brand name of the gasoline refiner or any of its marketing subsidiaries appears on the pump stand or is displayed at the retail outlet from which the gasoline was sold. The refiner is deemed in violation for a failure of branded product to comply with the standards irrespective of whether any refiner, distributor, or retailer or the employee or agent of any other refiner, distributor, or retailer may have caused or permitted the violation. (§ 80.23(a)(1)).

Where gasoline is not sold under the corporate, trade, or brand name of a gasoline refiner or any of its marketing subsidiaries, the distributor who sold the retailer the gasoline in the retail outlet storage tank at the time of the violation is deemed in violation. If two or more distributors have sold the retailer unleaded gasoline, any of such distributors who can demonstrate that the violation was not caused by him or his employee or agent shall not be deemed in violation.

Sixteen branded gasoline refiners have petitioned for review of the provision deeming them to be in violation in all cases where unleaded gasoline sold at retail under their corporate, trade, or brand name fails to comply with the regulations. (Amoco Oil Company, et al. v. EPA, D.C. Cir., 73–1117, Ashland Oil, Inc. and Skelly Oil Company v. EPA, and Clark Oil and Refining Corp. v. EPA, D.C. Cir. 73–1150). The provision of the regulation at issue is § 80.23(a)(1) which states that:

(a)(1) Where the corporate, trade, or brand name of the gasoline refiner or any of its marketing subsidiaries appears on the pump stand or is displayed at the retail outlet from which the gasoline was sold, the retailer and such gasoline refiner shall be deemed in violation. The refiner shall be deemed in violation irrespective of whether any refiner, distributor or retailer, or the employee or agent of any refiner, distributor, or retainer may have caused or permitted the violation.

Petitioners dispute EPA's finding that "contamination of unleaded gasoline associated with transportation of the product can best be prevented by the major refiners who have control or the ability to control their distribution networks." (38 FR 1254, 1255.) They assert that § 80.23(a)(1) makes them responsible for the actions of parties over whom they do not and cannot exercise sufficient control to prevent violations of the standards for unleaded gasoline at the retail outlet.

EPA has concluded that certain of petitioners' objections are valid and should be recognized in the provision for apportionment of liability. Accordingly, the Agency proposes to amend § 80.23 in a manner that responds to the refiners' principal concerns. The background of § 80.23 and the basis for the proposed amendment are set forth below.

I. *BACKGROUND.* The provisions for liability of suppliers reflect EPA's assessment of the objectives of the lead regulations and the means of achieving those objectives in the context of the complex gasoline distribution system. The regulations are intended to assure that unleaded gasoline meeting the standards of purity essential to the unimpaired effectiveness of lead-sensitive emission control systems is available at the retail outlet. What counts is the quality of the product at the point of sale to the motorist. EPA has a strong obligation to assure that the standards are met in view of the fact that the consumer who purchases unleaded gasoline that exceeds the standard will have no immediate indication of that fact and is therefore likely to have no effective recourse if the emission control system of his vehicle is subsequently found to be impaired, and he is obliged to repair or replace it.

EPA does not anticipate that gasoline refiners will deliberately add lead to unleaded product at the refinery. The compliance problem for the industry and for EPA is to deliver unleaded gasoline meeting the standards from the refinery to the retail outlet in the same distribution system used for distribution of leaded grades of gasoline. If lead additives were prohibited in all grades of gasoline, compliance with the standards for unleaded gasoline at the retail outlet would be a simple matter. But because other grades of gasoline will continue to contain lead,

[9] Exhibits A, B, C, D, E, F, G, and H filed as part of the original document.

contamination of the unleaded gasoline through mixing or mishandling in distribution will occur unless stringent quality control procedures are adopted throughout the distribution system.

A. *Overview of Gasoline Distribution System.* Unleaded gasoline will be produced at the nation's refineries without the use of lead additives. It should be noted that gasoline sold under a particular refiner's brand was not necessarily produced by that refiner, but may have been produced by a second refiner pursuant to a processing agreement. Under a processing agreement, a gasoline refiner may arrange to have its distributors or retailers in a particular area supplied by another refiner. Where the product is branded, the second refiner is responsible for manufacturing the gasoline to the specifications of the first refiner's brand.

Finished gasoline is transported from the refinery to a storage terminal (or directly to a customer) by pipeline, marine tanker or barge, railroad, or truck. Some of these transportation facilities are owned by refiners; others are carriers owned by other companies. While interstate pipelines are common carriers subject to ICC regulation, most major pipelines are owned and operated by one or more major branded refiners. From the terminal, gasoline is transported principally by tank truck to (1) service stations (2) individual large-volume consumer accounts, and (3) small bulk plants which in turn supply service stations or consumer accounts.

B. *Distribution of Gasoline Not Sold Under a Refiners Brand.* Within this distribution system, a distinction is drawn between distribution of gasoline under a refiner's brand and distribution of gasoline under a private brand. Private brand gasoline is distributed by independent jobber—distributors and independent marketers (retailers) who purchase gasoline from independent refiners, or, more commonly, from major branded refiners. The jobbers perform a wholesale function and generally own and operate storage, transportation, and retail facilities. They distribute both branded and unbranded product and operate under annual contracts with suppliers.

The independent marketers are retail companies who own or operate from 2 to 400 service stations. They purchase gasoline on the open market from refiners or jobbers.

C. *Distribution of Branded Gasoline.* Distribution of branded gasoline follows two basic patterns, generally described as direct and indirect distribution. In the direct distribution chain, branded gasoline is sold by the branded oil company to branded retail outlets which are usually owned by the branded refiner and leased to the retailer or leased by the branded refiner from an investor and, in turn, leased by the refiner to the retail outlet operator. About 5 percent of the direct-supplied outlets are operated by a salaried employee of the refiner. Gasoline is generally transported from the refiner to the refiner-owned or leased outlet in the refiner's facilities or by contract or common carriers engaged by the refiner.

In the indirect distribution chain, gasoline is sold by the refiner to a branded jobber under a supply contract. The branded jobber, in turn, distributes the gasoline to retail outlets owned and operated by the jobber or leased to independent retailers. The jobber is bound either by contract or by operation of law not to mix the branded product with other petroleum products and to sell only branded product under the brand name.

While the jobbers are technically limited only by contractual relations with the branded refiners, they are often financially bound to the supplier for construction of facilities and are sometimes required to give the supplier the first option on sale of the business. Jobber-owned or leased retail outlets may constitute as many as half of the branded refiners' branded retail outlets, but these retail outlets account for less than one-fourth of branded refiners' total gasoline sales volume.

Some branded retail outlets are owned by the operator instead of a refiner or distributor. The precise number of operator-owned branded outlets is not known, but it is estimated to be a very small percentage of total branded outlets. The vast majority of branded retail outlets are owned or leased by the refiner or distributor who supplies the outlet.

D. *Problems of Contamination of Unleaded Gasoline.* Contamination of unleaded gasoline causing it to exceed the specifications is a cumulative process which can occur through mixing with leaded gasoline at any point in the distribution chain. Contamination can be detected and corrected at any stage of distribution. It is easier, of course, to dispose of contaminated gasoline or to reblend it if contamination is detected before the gasoline reaches the retail outlet.

It does not take much leaded gasoline to cause a batch of unleaded gasoline to exceed the standard. Only 100 gallons of leaded gasoline containing 2.5 grams of lead per gallon will add .025 gram of lead per gallon to a shipment of 10,000 gallons of unleaded product. If the shipment already contains .03 gram of lead per gallon the delivered product would then exceed the .05 standard when it reaches the retail outlet.

Branded gasoline refiners recognize the cumulative nature of the contamination problem and appreciate the importance of quality control procedures at each stage of distribution. They object, however, to the provision for strict liability for violations at their branded outlets and argue that this provision is an improper means to assure that adequate quality procedures will be instituted throughout the branded distribution chain and that a high standard of care is observed.

In considering alternative regulatory approaches, EPA was faced with the need to determine responsibility in a situation where it will be virtually impossible for the Agency to identify the person actually at fault for a particular violation caused by inadequate procedures or mishandling in the distribution system. This inability to identify actual parties at fault is due to the existence of processing agreements, the great complexity of the gasoline distribution system, and the fact that contamination is a cumulative process which can both occur and be remedied at various stages of distribution. Contamination must be kept under control at each stage to prevent gasoline from exceeding the standard. If, for example, unleaded gasoline at a terminal contains .045 gram of lead per gallon, it will probably exceed the .05 standard in many cases when it reaches a bulk station or a retail outlet. Gasoline exceeding the standard would be found at the bulk station or at the retail outlet, but the fault for causing the violation may well belong to the parties who permitted the gasoline to reach a .045 level during the earlier phase of distribution or failed to take corrective action in recognition of the remaining steps of distribution.

Under these circumstances, it was necessary to establish a system of liabilities that apportions the responsibility for violations at the retail outlet with reference to the ability of the various links in the distribution chain to prevent or cause contamination of unleaded gasoline. The question is whether EPA has fairly imputed to the branded refiners the duty and the ability to control their distribution networks and to assure compliance at branded retail outlets. EPA's assumptions and the alternatives considered are set forth below.

II. *Alternative Regulatory Strategies.*

A. *Strict Liability of Branded Refiners.* In its determination that branded refiners control or have the ability to control the distribution of branded product to the consumer, EPA relied upon (1) the branded refiners' legal obligation as marketers of a trademarked and nationally advertised product to protect the quality of the trademarked product, (2) the extensive quality control system already operated by the branded oil companies to meet this obligation and to protect business good will, and (3) the success of the American Oil Company in developing and implementing quality control procedures for distribution of unleaded gasoline.

The law requires that gasoline retailers sell only branded product through equipment bearing a trademark holder's brand. This requirement for exclusive dealing in branded product was upheld against challenge on antitrust grounds as a reasonable measure to prevent holding out of branded product that does not meet the specifications for the brand.

The trademark holder as well as his licensee has obligations to the public. In order to protect the consumer's reliance on the quality of a trade-marked product, the Lanham Act (15 U.S.C. 1051, *et seq.*), places upon the trademark holder an affirmative duty of policing the activity of his licensees affecting the quality of products sold under his trademark.

The branded refiners have established impressive quality control systems to protect their trademarks and to maintain customer good will. Their quality control programs were described in hearings before the Senate Subcommittee on the Judiciary in 1971 and 1972. The Committee was considering whether branded refiners should be divorced from control of their branded retail outlets on the ground that gasoline is a fungible commodity and that retailers should be free to purchase gasoline from any source. The branded refiners who testified asserted that there are differences in brand specification at the pump. Representative statements from spokesman for major refiners were as follows:

Humble (now Exxon): (862)

Humble gasolines are manufactured to rigid specifications and delivered to service stations at the same high quality level. Humble Oil & Refining Co. has a continuing program of rigid product quality monitoring to insure this. [I]n the distribution system, checks are again made to be sure that no contamination has occurred during handling. In addition, gasoline samples are periodically obtained at service stations and returned to our own or independent laboratories for testing. Humble believes its elaborate quality monitoring program is necessary to ensure our customers of receiving a product of high and consistent quality.

Shell Oil Company: (650–655)

The Shell name is among our most valuable assets. It stands for reliable and guaranteed products and services.

* * * * *

Integrated oil companies put a lot of money and effort into product quality surveillance. At Shell we spend another $4 million annually in quality control—which runs from the refinery right through the whole transportation phase to the service station. We check at every stage of the way for cleanliness and performance quality.

Mobil Oil Company: (38–39, 59)

Mobil also follows the octane rating and additive content of its gasolines through its complex distribution system to the final service station tank. If any quality loss is encountered in these distribution surveys, the source is located and corrective measures taken.

* * * * *

The customer now benefits from quality control measures taken by the suppliers * * * today he knows who is responsible if quality drops.

Standard Oil of California: (889)

We exercise a continuing control to assure that such gasoline meets and continue to meet our product standards. If it does not, then our company returns the product or takes such steps as may be necessary to bring the product up to our requirements. It would be wholly unrealistic to expect service station dealers to have the technical competence and ability to undertake such quality control and any further upgrading required, or to expect them to return gasoline found to be substandard.

Other statements before the Senate Subcommittee and statements made during EPA's hearings on the lead regulations confirm the fact that the branded refiners recognize an obligation to protect the quality of branded product and have developed the capacity to police their distribution systems. (See, e.g., Statement for Sun Oil Company, April 11, 1972, Tr. 191–3; Statement for Union Oil Company, April 27, 1972, Tr. 104–5).

The experience of the American Oil Company (AMOCO) in distribution of unleaded gasoline shows that prevention of lead contamination can be integrated with existing quality control procedures and that the job of distributing unleaded gasoline meeting EPA's specifications can be done. As early as 1971, Amoco reported that it was able to distribute its 91 octane unleaded gasoline at .05 gram per gallon 92 percent of the time. At that time, the specification for unleaded gasoline enforced by the State of Maryland and the few local government agencies monitoring unleaded fuel was the .07 gram per gallon standard established by the American Society for Testing and Materials.

When the lead regulations were promulgated, EPA had reason to believe that improved procedures being adopted by Amoco would result in a substantial reduction in the percentage of samples exceeding .05. This reduction in fact occurred; and in May, 1973, a spokesman for Amoco reported that in 1972 only 4% of the Amoco unleaded gasoline samples tested in its quality control program exceeded the .05 gram per gallon level established in EPA regulations. ("Lead Monitoring Program," paper by L. J. Duffy of American Oil Company before the API Division of Marketing, May, 1973). With more unleaded gasoline in distribution in 1974–5 and the lower lead levels in leaded gasoline existing today and continuing under EPA's lead reduction schedule (See 38 FR 33734, December 6, 1973), the Agency expects that further reductions in the percentage of samples exceeding .05 can be achieved.

To achieve these results, Amoco has instituted an intensive program at each point in the distribution system to reduce the frequency and severity of contamination incidents. Testing of gasoline quality takes place at the refinery, the terminal, and the retail outlet. All shipments from the refinery and the terminal are tested, while a periodic sampling program tests gasoline at a percentage of Amoco's retail outlets each month. The tests of unleaded gasoline at the retail outlets are conducted by personnel using mobile laboratory vans and by terminal personnel in rural areas.

While EPA does not endorse specific elements of the Amoco program, the Agency believes that the program's success is due in part to the treatment of the distribution network as a system. EPA's objective in the liability provisions of the lead regulations is to assign responsibility in a manner that will induce all branded refiners to adopt at least the type of program pioneered by Amoco and to incur its costs. This objective will not be achieved if the branded refiners are permitted to disclaim responsibility for the quality of unleaded gasoline offered for sale at their branded retail outlets. Although EPA is proposing to qualify the provision for strict liability of branded refiners to respond to specific problems raised by them, the Agency is adhering to its view that the branded refiners have greater control over their distribution networks than anyone else and that the principal responsibility for assurance of the quality of branded product is properly theirs. The reasonableness of this finding is underscored by consideration of the alternative assumptions and strategies set forth below.

B. *Focus on Retailers.* EPA considered and rejected an enforcement program that would place primary responsibility for compliance with the standards for unleaded gasoline on the retailers at the end of the distribution chain. Although the stage at which gasoline is dispensed to the motorist is the point at which the .05 standard must be met, EPA believes that retailers have the least control over the quality of gasoline which they sell. This is especially true for branded retailers who are not free to seek an alternative source of supply if their suppliers fail to deliver unleaded gasoline meeting the specifications.

In most cases, the failure of unleaded gasoline to meet specifications at the retail outlet will be due to inadequate procedures up the line. This view is fully consistent with the industry's characterization of the contamination problem in industry comments on the problems of compliance with the stringent .05 standard. As the spokesman for the American Petroleum Institute stated it, "[s]ervice stations are at the end of the distribution system, and they do run some risk of inadvertently receiving contaminated unleaded gasoline." (Statement of April 11, 1972, Transcript, page 127).

EPA believes that risk is substantial and that it is wholly unrealistic to expect the retailer to be able to protect himself against the risk shifted to him by his supplier. If the problem and the fault lie in distribution of the gasoline to the service station, it is unfair as well as impractical to establish a system of liabilities that forces the service station operator to seek indemnification from his suppliers. The operator generally lacks the economic resources and the bargaining power necessary to make such a system work. The turnover rate among branded retailers in 1972 was 25 percent.

One refiner proposes that EPA recast the regulations to require the retailer to test the product delivered to him by his supplier. The supplier would discharge his obligation by upgrading or otherwise disposing of the contaminated product after the retailer identifies a contamination problem. This approach in effect makes the last, smallest, and most numerous unit in the distribution system responsible for monitoring the industry's performance. While testing by retailers may serve as a useful check on distribution procedures, EPA does not agree that primary responsibility for assuring the

quality of delivered product is properly the retailer's.

EPA's regulations do not reflect a view that the retailer has no responsibilities. In all cases where gasoline exceeding the standards if found, he is deemed in violation unless he can show that the violation was not caused by him or his employee or agents. He will be required to show that the violation did not occur due to mishandling at the service station or due to deliberate commingling of products.

It is clear, however, that even at the service station level, basic decisions respecting the conditions of sale of unleaded gasoline are being made by the owner or lessor of the station and not by the operator. At least in the direct distribution chain, the branded refiners are making the decisions whether to adopt a three grade marketing system, installing a third pump and underground tank or whether to retain a two-grade marketing system, substituting unleaded gasoline for the leaded regular or premium grade. Where a branded refiner owns or leases a service station, the refiner makes the investment in new equipment.

In all cases where gasoline is distributed under a refiners' brand, procedures for phasing in unleaded gasoline will be recommended or prescribed under contract by the refiners. The branded refiners will provide facilities and/or technical assistance necessary for compliance with the requirement for general availability of unleaded gasoline at branded outlets. Thus, they have an important share in the responsibility for compliance at the retail outlet. For all of these reasons, EPA determined that the retailer should not bear primary responsibility for the failure of unleaded gasoline at the retail outlet to meet the standards of the regulations.

C. *Alternatives of Prescribing Quality Control Procedures or Setting Intermediate Standards in the Distribution Chain.* EPA considered a regulatory scheme that would prescribe specific quality control procedures and recordkeeping requirements for refiners, distributors, and retailers. The Agency found numerous drawbacks to this approach. First, at the time when the regulations were adopted, only Amoco had substantial experience in distribution of unleaded gasoline; and their procedures and those of the rest of the industry were still being refined. The Agency did not have sufficient information to develop the procedures to be prescribed.

Since the regulations were promulgated, EPA has obtained, under contract, additional information on the mechanics and costs of distributing unleaded gasoline. This information was obtained under contract when it became apparent that many members of the industry were unwilling to discuss their plans and the costs of those plans with EPA representatives. Little hard data on costs was made available to the contractor, so estimates had to be developed. Utilizing the data from the contract study together with a computer model as a tool for predicting contamination problems, EPA was able to reach some general conclusions respecting the procedures needed to prevent contamination and their relative cost-effectiveness.

The Agency recognizes, however, that the petroleum industry is far better-equipped than EPA to identify and evaluate the methods of preventing contamination and that a performance standard is preferable to prescribing specific procedures. We would take this view even if the industry were willing to provide detailed information and our knowledge of the optimum procedures were more complete.

We have also considered setting intermediate trace lead standards for unleaded gasoline in distribution. Industry estimates of acceptable levels at the terminal stage, for example, suggest that unleaded gasoline at that distribution point should not exceed .03 gram per gallon. The regulations might be amended so that if samples taken at the terminal loading rack exceeded 0.03 gram per gallon, the terminal owner would be deemed in violation.

Such a strategy has disadvantages similar to prescribing procedures, however, in that it limits the industry's flexibility and fails to take account of improved distribution methods as they develop. There may be circumstances in which a refiner prefers to ship unleaded gasoline from the terminal at a higher level than .03, incurring the cost of segregated trucks rather than reducing the lead level at the terminal. There is also evidence that the .03 terminal standard is higher than necessary in light of improvements in pipeline procedures, and it may be more cost effective for the system as a whole to allow greater margin for less stringent quality control measures downstream of the terminal. It would be difficult, therefore, to establish intermediate standards that accommodate operational flexibility and system improvements.

The contractor's study and the 1973 Amoco report on its quality control program referenced in the foregoing discussion were not available when the liability provisions were promulgated and are now on file in the EPA Office of Public Affairs. All other information summarized in the discussion is contained in the comments and testimony on the regulations or in industry and government publications available when the strict liability provision was promulgated.

Summary. To assure that unleaded gasoline of adequate purity is available at gasoline retail outlets, the lead regulations must provide incentive for industry to adopt stringent quality control procedures throughout the distribution system and to exercise a high standard of care. The overriding objective of potential sanctions under the regulations is to induce the industry to regulate and police itself, with minimum interference from EPA. In the branded distribution chain, EPA concluded that branded refiners should bear primary responsibility under the lead regulations because they have sufficient control of facilities owned or leased by them to prevent contamination of unleaded gasoline, and the ability and the obligation to require by contract that procedures to prevent contamination of branded product be followed by refiners or distributors whose facilities are not owned or leased by them. These entities not owned or leased by the refiner may be other refiners party to processing agreements, jobber-distributors, or carriers who handle branded product under contract with the refiners.

The incentive for the branded refiners to incur the cost of adequate quality control procedures will be appreciably reduced if they are free to assert that violations of the standards for unleaded gasoline at branded retail outlets resulted from the action of unidentified third parties allegedly beyond the refiner's control. EPA could be required to rebut assertions of this type in every case when only the branded refiners are likely to have access to the facts. For these reasons, the regulations deem the branded refiner to be in violation for failures of unleaded gasoline at branded outlets to comply irrespective of whether another refiner, distributor, or retailer may have caused or permitted the violation.

III. *Objections to Strict Liability.* In their testimony and comments when the regulations were proposed, the branded refiners argued that the regulations made them responsible for the actions of independent retailers and distributors beyond their control. Beyond the refiners' broad assertions of lack of control, there was no unanimity regarding the segments of the gasoline distribution system for which they would concede responsibility. Two refiners stressed the possibility of contamination in pipeline transport, implying that the refiner's control ended when the gasoline left the refinery. Another refiner conceded control up to the terminal where the refiner regains possession of the gasoline after pipeline or other transportation from the refinery; and two refiners acknowledged responsibility for delivery of the product to their retail outlets, at least in the direct distribution chain. Despite the fact that all refiners disclaimed responsibility for the actions of retailers as "independent businessmen", one company commented that the display and advertising of the refiners' brand may be significant as evidence of a warranty of the product being sold to the public at the retail outlet. Finally, while American Oil Company joins in the general disclaimer of responsibility for violations at the retail outlet, Amoco's quality control program in fact includes monitoring of unleaded gasoline quality at retail outlets by means of mobile laboratory units.

Although no refiner directly addressed the issue of the brand owner's obligation to monitor retailers' activities with respect to branded product, all expressed a willingness to stand behind branded product when asked what recourse a motorist had if he received watered gasoline from a branded retail outlet. EPA concluded, therefore, that the Agency's assumptions regarding the branded refiner's ability to control the distribution

system had not been rebutted and that the apportionment of liabliity under the regulations was the fairest workable means of obtaining compliance given the complexity of the gasoline distribution system.

Since the promulgation of the regulations and the ensuing litigation, refiners' concerns over the strict liability provision have been presented in more specific terms. The Agency did not fully appreciate the facts giving rise to these concerns when the regulations were promulgated.

First, EPA assumed that the branded retailer, though an independent businessman in many important respects, would ordinarily be a passive recipient of product delivered to him and that his opportunity to cause or cure contamination of unleaded gasoline would be quite limited. It now appears that the refiners' emphasis on their lack of control over the "actions" of the branded retailer referred to affirmative misconduct by retailers such as acts of sabotage or substitution of lower cost leaded gasoline for unleaded gasoline, in violation of contract or State fraud or trade regulation laws. Although Amoco had described such incidents as "rare," illegal action by retailers is said to be much more common than EPA realized. We agree that the branded refiners should not be held responsible for misconduct of this nature by branded retailers.

The second major concern is the imposition of strict liability in the indirect distribution chain, where gasoline is sold to jobber-distributors who in turn sell to retailers. The facilities of the jobber and jobber-supplied retailers are not owned or leased by the refiner in most cases, and his relationship to these entities is that of brand owner and supplier of branded product.

EPA agrees that the refiners' control or ability to control the quality of product sold to jobbers for distribution through jobber-served outlets differs from the range of control mechanisms available in the direct distribution chain where gasoline is sold to the retailer and marketed through facilities owned, leased, or hired by the refiner. While EPA is adhering to its view that the branded refiners have the obligation to contract for quality control procedures for protection of all gasoline sold under their advertised brand and to take reasonable steps to police these undertakings, the branded refiners should not be deemed in violation for the failure of jobbers or jobber-supplied retailers to comply with those undertakings.

IV. *Proposed Amendments to § 80.23.* The Agency proposes to amend § 80.23 to qualify the liability of branded refiners for violations caused by illegal acts and for certain violations occurring in the jobber distribution chain. Under the proposed amendment, a branded refiner would not be deemed in violation if he shows that the violation was not caused by him or his employee or agent, and if he demonstrates that the violation was caused by an act in violation of law. This provision could be invoked in cases of sabotage, fraud, commingling, or other illegal conduct by any retailer or distributor resulting in a violation of the regulations.

In addition, the branded refiner would also not be deemed in violation if he could show that the unleaded gasoline offered at a retail outlet supplied by a jobber (reseller) whose facilities are not owned, leased, or controlled by the refiner was not in compliance due to a violation of a contractual undertaking between the reseller and the refiner designed to prevent such a violation and despite the refiner's reasonable efforts to insure compliance with such contractual undertaking. Reasonable efforts by a refiner might consist of a periodic sampling program to test unleaded gasoline distributed through jobbers.

While these proposed amendments would permit a branded refiner to assert that a violation occurred at a direct-supplied outlet due to illegal action by a retailer or distributor, the amendment is not applicable to violations allegedly caused by failure of such a retailer or distributor to comply with a contract with the refiner. While such failure may be grounds for mitigation of a penalty assessed against the refiner under section 211(d), the refiner will still be deemed in violation for noncompliance allegedly caused by the negligence of operators of facilities owned, leased, or hired by him unless illegal action is involved. The refiner has sufficient control to limit his exposure to liability in such cases and may, of course, seek indemnity.

A reasonably specific showing by the refiner as to the cause of the violation will be required under the proposed amendments. While the refiner will not be expected to identify the party guilty of illegal or negligent conduct in all cases, he will be required to account closely for the gasoline shipment to show how the violation occurred or must have occurred.

A conforming amendment is proposed in the nonbranded distribution chain where the regulations deem the retailer and the distributor who sold the retailer unleaded gasoline to be in violation if the gasoline does not meet the standards prescribed. Section 80.23(b)(2) as promulgated permits the distributor to argue that the violation was not caused by him or his employee or agent only if some other distributor may have sold the retailer gasoline found to be in violation. Unless a second supplier was involved, this formulation would not allow a distributor to defend on the grounds that the violation was caused by the retailer; and it implies that a distributor has greater control over gasoline quality at nonbranded outlets supplied by the distributor than the branded refiner has over branded product at branded outlets. This has never been EPA's assumption; and in any case, the provision for liability of distributors in the nonbranded distribution chain requires modification in light of the proposal to qualify strict liability in the branded distribution chain. Under the proposed amendment, a distributor would not be required to show that some other distributor may have supplied the gas found to be in violation as a condition of asserting that the violation was not caused by him or his employee or agent.

In addition, EPA proposes to revise § 80.22 and § 80.23 to make it clear that a completed sale of unleaded gasoline not in compliance with the regulations is not required for a violation of § 80.22. Section 80.22 prohibits a retailer from introducing or causing or allowing the introduction of leaded gasoline into a vehicle labeled "unleaded gasoline only" or equipped with the special gasoline tank filler inlet. The broad language prohibiting a retailer from "causing or allowing" the introduction of leaded gasoline into vehicles requiring unleaded fuel was intended to cover a variety of actions including a holding out of unleaded gasoline not in compliance, dispensing of such gasoline, as well as a completed sale.

The confusion arises in § 80.23 where the introductory clause of the liability provisions refers to the retail outlet from which the gasoline was "sold." Because § 80.23 was intended to be coterminous with § 80.22(a), EPA proposes to revise § 80.23 to refer to the retail outlet at which the gasoline was "sold, dispensed, or offered for sale." A similar change is made in § 80.22 to clarify the intent of the prohibition.

Interested parties are invited to submit their views on the proposed amendments. The Agency requests that comments addressed to the relationships between branded refiners and other elements of the distribution system be factual and specific and that examples of contracts or other documents illustrating those relationships be submitted where pertinent. The Agency also invites comments from gasoline retailers and their trade associations. Their views on the system of liabilities under the lead regulations have not previously been presented.

Comments should be sent to the Director, Mobile Source Enforcement Division, Environmental Protection Agency, 401 M Street SW., Washington, D.C. 24060. All relevant comments postmarked on or before May 13, 1974 will be considered. Comments received pursuant to this proposal will be available for public inspection during normal working hours (8 a.m. to 4:30 p.m.) at the Office of Public Affairs, Environmental Protection Agency, 401 M Street SW., Washington, D.C. 20460.

(Section 211 and section 301(a) of the Clean Air Act, as amended (42 U.S.C. 1857f-6c).)

Dated: April 4, 1974.

JOHN QUARLES,
Acting Administrator.

It is proposed to amend Part 80 of Chapter I, Title 40 of the Code of Federal Regulations as follows:

1. In § 80.2, a new paragraph (n) is added as follows:

§ 80.2 Definitions.

* * * * *

(n) "Reseller" means any person who purchases gasoline identified by the corporate, trade, or brand name of a refiner from such refiner or a distributor

and resells it to retailers displaying the refiner's brand, and whose assets or facilities are not owned, leased, or in any way controlled by such refiner.

2. In § 80.22, a revision is made to paragraph (a) as follows:

§ 80.22 Controls applicable to gasoline retailers.

(a) After July 1, 1974, no retailer or his employee or agent shall sell, dispense, or offer for sale unleaded gasoline unless such gasoline meets the defined requirements for unleaded gasoline in § 80.2(g); nor shall any such person introduce, or cause or allow the introduction of leaded gasoline into any motor vehicle which is labeled "unleaded gasoline only," or which is equipped with a gasoline tank filler inlet which is designed for the introduction of unleaded gasoline.

* * * * *

3. Section 80.23 is amended as follows:

a. The first sentence of paragraph (a)(1) is revised;

b. Paragraph (a)(2) is revised;

c. In paragraph (b)(1), the reference to § 80.22 is a typographical error and is corrected to refer to § 80.23;

d. Paragrph (b)(2) is revised;

e. Paragraph (c) is redesignated paragraph (d) and is revised; and

f. A new paragraph (c) is added. As amended, § 80.23 reads as follows:

§ 80.23 Liability for violations.

* * * * *

(a)(1) Where the corporate, trade, or brand name of a gasoline refiner or any of its marketing subsidiaries appears on the pump stand or is displayed at the retail outlet from which the gasoline was sold, dispensed, or offered for sale, the retailer and such gasoline refiner shall be deemed in violation. * * *

(2) Where the corporate, trade, or brand name of a gasoline refiner or any of its marketing subsidiaries does not appear on the pump stand or is not displayed at the retail outlet from which the gasoline was sold, dispensed, or offered for sale, the retailer and any distributor who sold the retailer gasoline contained in the retail outlet storage tank which supplied that pump at the time of the violation shall be deemed in violation.

(b)(1) [Amended]

(2) In any case in which a retailer and any gasoline refiner would be in violation unler paragraph (a)(2) of this section the refiner shall not be deemed in violation if he can demonstrate:

(i) that the violation was not caused by him or his employee or agent; and

(ii) that the violation was caused by an act in violation of law (other than the Act or this part) or that the violation was caused by the action of a reseller or a retailer supplied by such reseller, in violation of a contractual obligation imposed by the refiner on such reseller designed to prevent such action, and despite reasonable efforts by the refiner (such as periodic sampling) to insure compliance with such contractual obligation.

(c) In any case in which a retailer and any gasoline distributor would be in violation under paragraph (a)(2) of this section, the distributor will not be deemed in violation if he can demonstrate that the violation was not caused by him or his employee or agent.

(d) In any case in which a retailer or his employee or agent introduced leaded gasoline from a pump from which leaded gasoline is sold, dispensed, or offered for sale, into a motor vehicle which is labeled "unleaded gasoline only," or which is equipped with a gasoline tank filler inlet designed for the introduction of unleaded gasoline, only the retailer shall be deemed in violation.

[FR Doc.74-8289 Filed 4-10-74;8:45 am]

[40 CFR Part 170]

FARM WORKERS DEALING WITH PESTICIDES

Proposed Health and Safety Standards; Extended Time for Comment

There was published in the FEDERAL REGISTER on March 11, 1974 (39 FR 9457), a notice of proposed rulemaking regarding farm workers dealing with pesticides. Interested persons were invited to submit written comments on the proposal before April 12, 1974.

A number of interested parties have requested additional time to submit their views on this proposal. After further consideration of the possible impact the proposed standards would have on farm workers and growers, it has been determined that the requested additional comment time is warranted. The April 12 deadline for submission of comments is being extended until April 26, 1974. Such comments should be submitted in duplicate to the Agency Hearing Clerk, Mrs. Betty Billings, 10th Floor, Waterside Mall, East Tower, 401 M Street SW., Washington, D.C. 20460. All written statements received will be made available for public inspection at the above address.

Dated: April 8, 1974.

CHARLES L. ELKINS,
Acting Assistant Administrator for Hazardous Materials Control.

[FR Doc.74-8443 Filed 4-10-74;8:45 am]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 17371, 7 FCC 2d 853 (1967); Docket No. 17438, FCC 65-576; Docket No. 17505, 9 FCC 2d 984 (1967); Docket No. 19320, 31 FCC 2d 884 (1971)]

CABLE TELEVISION

Proceedings Terminated

In the Matter of Inquiry into developing patterns of ownership in the cable television industry (32 FR 6221), amendment of § 74.1107 of the Commission's rules (32 FR 8725) regarding carriage of television signals on cable television systems, inquiry into operation and effect of present commission policies regarding carriage and program exclusivity on cable television systems (32 FR 15772), amendment of § 74.1103(g)(2) of the commission's rules regarding syndicated programming protection (36 FR 21855).

(1) On February 2, 1972, the Commission adopted amendments to Parts 1, 15, 21, 74, and 91 of the Commission's rules and regulations and further adopted new Parts 76 (Cable Television Service) and 78 (Cable Television Relay Service) of the Commission's rules and regulations.

(2) The above captioned proceedings were instituted to assist the Commission in its determination of the appropriate regulatory scheme regarding cable television. The adoption of the rules and regulations set forth in paragraph 1 above has rendered these proceedings moot.

Accordingly, *It is ordered*, That the proceedings in Docket Nos. 17371, 17438, 17505, and 19320 are terminated.

Adopted: April 3, 1974.

Released: April 8, 1974.

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

[FR Doc.74-8330 Filed 4-10-74;8:45 am]

[47 CFR Part 76]

[Docket No. 19990; RM-2210]

NEWARK, N.J.

Cable T.V. Market Designation

(1) The Commission has before it a "Petition for Rule Making" (RM-2210), filed June 12, 1973, by Blonder-Tongue Broadcasting Corporation, permittee of Subscription Television Station WBTB-TV, Newark, New Jersey. This petition requests that the Commission institute a rulemaking to ascertain whether Newark, New Jersey should for purposes of the Cable Television Rules, be included in the New York, New York-Linden-Paterson, New Jersey designated television market (#1) (§ 76.51(a) of the Commission's rules). In the alternative, the Petition requests that the Commission adopt an editorial revision to § 76.51(a) of the rules to add Newark, New Jersey to this designated television market. No statements in support or in opposition were filed.

(2) The important considerations involved in determining which communities shall be designated as major television markets has persuaded us that resolution of this matter by editorial revision would be inappropriate. It would appear, however, that Newark does qualify for inclusion as a designated community in the market based on the standards used when the list was promulgated. Therefore, the Commission is inaugurating a rulemaking in this matter. The Commission invites all interested parties to file written comments on this rulemaking proceeding

on or before May 16, 1974, and reply comments on or before May 27, 1974. In reaching its decision in this proceeding, the Commission may take into account any other relevant information before it, in addition to the comments invited by this Notice.

(3) Authority for the Amendment proposed herein is contained in sections 2, 3, 4 (i) and (j), 301, 303, 307, 308, and 309 of the Communications Act of 1934, as amended.

(4) 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's Public Reference Room at its Headquarters in Washington, D.C.

Adopted: April 2, 1974.

Released: April 5, 1974.

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

[FR Doc.74-8328 Filed 4-10-74;8:45 am]

Notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF THE TREASURY

Office of Revenue Sharing

ENTITLEMENT PERIOD 4

Final Date of Allocations

Pursuant to § 51.22(a) as amended on February 28, 1974 (39 FR 8324) of Title 31 of the Code of Federal Regulations (Part 51), promulgated under the State and Local Fiscal Assistance Act of 1972 (Pub. L. 92–512, 31 U.S.C.A. Chapter 24), and pursuant to notice of procedure for improvement of entitlement data published in the FEDERAL REGISTER on October 25, 1973 (38 FR 29501), notice is hereby given that the final date for the determination of allocations and entitlements, including adjustments thereto, applicable to Entitlement Period 4 for recipient governments has been made as of April 8, 1974. This closing date will not be applicable for those recipient governments who have a request pending as of April 8, 1974, for substantiation or correction of data elements by the Office of Revenue Sharing, filed pursuant to the notice of October 25, 1973 (38 FR 29501).

[SEAL] GRAHAM W. WATT,
Director, Office of Revenue Sharing.

[FR Doc.74-8369 Filed 4-10-74;8:45 am]

Office of the Secretary

LOAN TO GOVERNMENT OF REPUBLIC OF KOREA

Invitation To Bid by Financial Institutions

I. INVITATION TO BID—CLASSES OF BIDDERS

The Department of the Treasury, acting for the Department of Defense, by this notice and under the terms and conditions hereof invites bids on the interest rate on a $5,500,000 loan to the Government of the Republic of Korea, hereinafter referred to as the borrower. The loan is described in section V hereof. Bidding hereunder shall be subject to the "Regulations Governing the Sales of Treasury Bonds Through Competitive Bidding" (31 CFR Part 340) insofar as applicable.

The purpose of the loan is to provide private financing for the purchase by the borrower of defense articles and services from United States sources in furtherance of the Foreign Military Sales Act, as amended, Pub. L. 90–626, October 22, 1968, 82 Stat. 1326 (22 U.S.C. 2571–2793); and Executive Order 11501, December 22, 1969, 34 FR 20169.

Bids will be received only from incorporated banks, trust companies, recognized dealers in investment securities, and other financial institutions doing business in the United States. Bids must be submitted to the Federal Reserve Bank of New York in accordance with the provisions of the last section hereof.

II. UNITED STATES GOVERNMENT GUARANTY OF LOAN

The loan agreement provides that the obligation of the lender is to be conditioned upon the issuance by the United States of a guaranty of timely payment of 100 percent of the principal and 100 percent of the interest thereon by the borrower. The guaranty will further provide that the United States agrees that any claim which it may now or hereafter have against any beneficiary for any reason whatsoever shall not affect in any way the right of any other beneficiary to receive full and prompt payment of any amount otherwise due under this guaranty.

In addition, the borrower covenants at section 5(b) of the loan agreement that:

> Any claim which it may now or hereafter have against any person, corporation, firm or association or other entity (including without limitation, the United States, DOD, any Bank, any assignee of any Bank, and any supplier of the Defense items) in connection with any transaction, for any reason whatsoever, shall not affect the obligation of the Borrower to make the payments required to be made to the Undersigned under this Loan Agreement, or under the Notes, and shall not be used or asserted as a defense to the payment of such obligation or as a setoff, counterclaim, or deduction against such payments.

The guaranty, which is authorized by the Foreign Military Sales Act, will be made by the Government of the United States acting through the Department of Defense. The Act provides that "any guaranties issued hereunder shall be backed by the full faith and credit of the United States."

III. TAX EXEMPTIONS

There will be no—

(a) Federal income tax resulting from section 7.1 of the loan agreement which will provide that the brrower shall pay to the lender the guaranty fee charged to the latter by the Department of Defense. (The lender will be acting merely as a conduit.)

(b) Federal stamp tax; or

(c) Tax imposed by the borrower.

IV. THE LOAN, PROMISSORY NOTES, PARTICIPATIONS—ELIGIBILITY FOR PURCHASE BY NATIONAL BANKS AS COLLATERAL FOR TREASURY TAX AND LOAN ACCOUNTS, ETC.

(a) Because of the guaranty, the loan, the promissory notes and the participations are deemed to be fully and unconditionally guaranteed obligations of the United States backed by its full faith and credit. Accordingly, they will not be subject to the lending limits of national banks or to the limitations and restrictions concerning dealing in, underwriting and purchase of investment securities.

(b) Section 1.4 of the loan agreement authorizes the sale of participations to legal entities doing business in the United States. Such participations will be acceptable from special depositaries of public money at their face amount to secure deposits under Department of the Treasury Circular No. 92, current revision (31 CFR Part 203): *Provided*, That they adequately identify the loan and meet the following conditions:

(1) The participation certificate contains the following provisions: "Participant may assign or endorse over this participation certificate to the (Name of the Federal Reserve Bank or Branch of the territory in which the participant is located) in connection with a pledge of collateral security to protect a Treasury tax and loan account under Treasury regulations published at Title 31, Code of Federal Regulations, Part 203. In the event that this participation certificate is assigned to (Same bank or branch as above), it shall not be further assigned or sub-divided without prior written notice to that bank and the prior written consent of this bank."

(2) The participation certificate is supported by the original or certified copies of the guaranty agreement relating to the basic loan and the necessary power of attorney and resolution in favor of the Reserve Bank as prescribed in 31 CFR 203.8(d).

(3) The guaranty agreement provides that the guaranty referred to therein is transferable to any participant or beneficiary.

V. DESCRIPTION OF LOAN AGREEMENT

The principal features of the loan are as follows:

(a) There will be a commitment fee payable semiannually of one-quarter of one percent (¼ of 1 percent) per annum on the daily average unused amount of the commitment. The commitment fee

will be calculated on a 365-day basis and actual days elapsed.

(b) There will be a commitment period from the "date of execution" of the loan agreement to and including April 1, 1975 or such earlier date as the entire commitment of the lender shall have been utilized. For this purpose, the "date of execution" will be the date on which the loan agreement is signed on behalf of the borrower or the date on which the Department of Defense executes the guaranty agreement, whichever is later.

(c) The minimum drawdown under the loan agreement will be $500,000.

(d) The principal is to be repayable in nine consecutive semiannual installments as follows:

The First $833,334 of Disbursements are Repayable on June 30, 1975.
The Next $355,000 of Disbursements are Repayable on December 31, 1975.
The Next $833,334 of Disbursements are Repayable on June 30, 1976.
The Next $355,000 of Disbursements are Repayable on December 31, 1976.
The Next $833,334 of Disbursements are Repayable on June 30, 1977.
The Next $355,000 of Disbursements are Repayable on December 31, 1977.
The Next $833,333 of Disbursements are Repayable on June 30, 1978.
The Next $355,000 of Disbursements are Repayable on December 31, 1978.
The Last $746,665 of Disbursements are Repayable on June 30, 1979.
Total, $5,500,000.

(e) Interest is payable on a fixed semiannual basis beginning December 31, 1974 and thereafter on June 30 and December 31 of each year until the entire principal has been repaid.

VI. SUBMISSION OF BIDS—ACCEPTANCE AND OPENING OF BIDS

Each bid shall be submitted in triplicate on the letterhead of the bidder and shall specify a single annual rate of interest which shall apply on a 365-day basis only to the portion of the loan in use. The rate shall be expressed as a percent per annum not to exceed three decimals, for example, 5.125 percent. Each bid must be for the entire amount of the loan.

Bidders should fill in the blanks in the loan agreement and should furnish three signed copies when submitting the bids. Most of the blanks are self-explanatory. At section 7.1., the guaranty fee will be $13,750.

The bids should be enclosed in sealed envelopes and must be received in the Securities Department of the Federal Reserve Bank of New York, 33 Liberty Street, New York, New York 10045, not later than 11:00 a.m., Eastern Daylight Time, on April 19, 1974.

Bids will be opened at the Federal Reserve Bank at 11:00 a.m., Eastern Daylight Time, on April 19, 1974. In determining the successful bid, the one specifying the lowest rate of interest will be accepted. Upon award of the bid, the Government of the United States will promptly secure the signature of the borrower to the loan agreement, as well as to necessary copies thereof, and will return one copy.

Copies of the loan agreement, of the exhibits and of the guaranty agreement may be obtained upon request from the Department of the Treasury, Bureau of the Public Debt, Room 200, Washington Building, Washington, D.C. 20226, or by telephoning (202) 964-2992 or (202) 964-8241.

Dated: April 3, 1974.

[SEAL] PAUL A. VOLCKER,
Under Secretary of the Treasury for Monetary Affairs.

[FR Doc.74-8358 Filed 4-10-74;8:45 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

NEVADA

Modification of Notice of Proposed Withdrawal and Reservation of Lands

APRIL 4, 1974.

Notice of an Atomic Energy Commission application, N-7957, for withdrawal and reservation of lands for exploration for geothermal potential, was published as FEDERAL REGISTER Document No. 74-2557, on page 3977 of the issue for January 31, 1974. The applicant has modified its application to request withdrawal of the lands involved from all forms of appropriation under the public land laws, including the mining laws and leasing under the Geothermal Steam Act of 1970, but not the mineral leasing laws. Any mineral leases issued will be subject to a stipulation that the lessee shall not unreasonably interfere with or endanger operations or use of the lands for purposes of the withdrawal by United States Atomic Energy Commission or its designees. Therefore, on May 6, 1974, the lands will be relieved of the segregative effect of the above-mentioned application insofar as filing of offers and applications for leases under the mineral leasing laws other than the Geothermal Steam Act of 1970.

WILLIAM J. MALENCIK,
Chief, Division of Technical Services.

[FR Doc.74-8298 Filed 4-10-74;8:45 am]

[C-20507-R/W (943)]

ROCKY MOUNTAIN NATURAL GAS CO., INC.

Pipeline Application

APRIL 3, 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), and as most recently amended by Pub. L. 93-153 of November 16, 1973, Rocky Mountain Natural Gas Company, Inc., Box 700, Glenwood Springs, Colorado 81601, has applied for a natural gas pipeline right of way across the following lands:

T. 2 S., R. 97 W., 6th P.M.,
Sec. 20: SE¼NE¼NE¼, SE¼NW¼SW¼.
T. 2 S., R. 98 W., 6th P.M.,
Sec. 23: NW¼, N½SW¼;
Sec. 26: NE¼NW¼;
Sec. 32: SE¼SW¼.

The pipeline will transport natural gas in a 4½-inch diameter pipe. Portions of the right-of-way application cover pipelines to be used as gathering lines for various wells in Rio Blanco County, Colorado.

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 Rocky Mountain Natural Gas Company, Inc. 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.74-8283 Filed 4-10-74;8:45 am]

[C-20534-R/W (943)]

WESTERN SLOPE GAS CO.

Pipeline Application

APRIL 3, 1974.

Notice is hereby given that pursuant to section 28 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 449), as amended; and as most recently amended by Pub. L. 93-153 of November 16, 1973, Western Slope Gas Company, P.O. Box 840, Denver, Colorado 80201, has applied for a right of way for a natural gas pipeline across the following lands:

T. 2 S., R. 102 W., 6th P.M.,
Sec. 36: SE¼.
T. 2 S., R. 101 W., 6th P.M.,
Sec. 31: S½;
Sec. 32: SW¼NW¼, NW¼SW¼.

The pipeline will carry increased volumes of natural gas from Western Slope Gas Company's West Douglas Natural Gas Field gathering system to its West Douglas-Grand Junction, Colorado, transmission line.

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, within the time specified herein.

EVERETT K. WEEDIN,
Chief, Branch of Land Operations.

[FR Doc.74-8284 Filed 4-10-74;8:45 am]

Fish and Wildlife Service

ROSE ATOLL NATIONAL WILDLIFE REFUGE, AMERICAN SAMOA

Notice of Establishment

Notice is hereby given that the Government of American Samoa and the U.S. Fish and Wildlife Service, Department of the Interior, did, by Cooperative Agreement dated July 5, 1973, under authority of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(5)), establish the Rose Atoll National Wildlife Refuge to be administered in accordance with applicable rules and regulations contained in Title 50, Code of Federal Regulations, relating to national wildlife refuges and the terms and conditions of the cooperative agreement.

The Rose Atoll National Wildlife Refuge is a part of American Samoa and is located 78 miles east-southeast of Tau Island in the Manua Group at latitude 14°32'52" south and longitude 168°08'34" west. This area has been set aside for the conservation, management and protection of its unique and valuable fish and wildlife resources. The exterior boundary of this refuge is the extreme low waterline outside the perimeter reef except at the entrance channel where the boundary is a line extended between the extreme low waterlines on each side of the entrance channel.

Dated: April 5, 1974.

LYNN A. GREENWALT,
Director, Bureau of Sport Fisheries and Wildlife.

[FR Doc.74-8297 Filed 4-10-74;8:45 am]

Office of Hearings and Appeals

[Docket No. M 74-60]

BLUE DIAMOND COAL CO.

Modification of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), Blue Diamond Coal Company has filed a petition to modify the application of 30 CFR 75.802 to its Leatherwood Mine, at Leatherwood, Kentucky.

30 CFR 75.802 reads in pertinent part as follows:

High-voltage circuits extending underground and supplying portable, mobile, or stationary high-voltage equipment shall contain either a direct or derived neutral which shall be grounded through a suitable resistor at the source transformers, and a grounding circuit, originating at the grounded side of the grounding resistor, shall extend along with the power conductors and serve as a grounding conductor for the frames of all high-voltage equipment supplied power from that circuit. * * *

In support of its petition to secure a waiver of 30 CFR 75.802 Petitioner states that:

(1) The underground high-voltage power distribution systems in question would serve only 7200V A.C. to 275V D.C. rectifiers the outputs of which are connected to the D.C. trolley system.

(2) Trolley locomotives are operated from the system and face distribution boxes, with proper breakers attached to the trolley system.

(3) The rectifiers are considered to be stationary in that they are moved only every six months.

(4) The cable connecting the outside power facility and the underground high-voltage system conforms with safety standard 30 CFR 75.804 and is installed in compliance with § 75.807.

Petitioner's proposal is supported by exhibits detailing the electrical system of the subject mine.

Petitioner asserts that its proposed alternative will at all times afford the same protection as the application of the mandatory standard.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before May 13, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director, Office of Hearings and Appeals.

MARCH 26, 1974.

[FR Doc.74-8278 Filed 4-10-74;8:45 am]

[Docket No. M 74-73]

BLUE DIAMOND COAL CO., INC.

Modification of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 4861(c) (1970), Blue Diamond Coal Company, Inc., has filed a petition to modify the application of 30 CFR 75.305 to its Leatherwood Mine located at Leatherwood, Kentucky.

30 CFR 75.305 reads in pertinent part as follows:

In addition to the preshift and daily examinations required by this Subpart D, examinations for hazardous conditions, including tests for methane, and for compliance with the mandatory health or safety standards, shall be made at least once each week by a certified person designated by the operator in the return of each split of air where it enters the main return, on pillar falls, at seals, in the main return, at least one entry of each intake and return aircourse in its entirety, idle workings, and, insofar as safety considerations permit, abandoned areas. * * *

In support of its petition Petitioner states:

(1) The sections of the subject mine to which the safety standard pertains are ventilated by separate fans. Each section also has two escapeways.

(2) Each section in question has a life expectancy of less than one year.

(3) It would be unsafe to travel the main return aircourse in its entirety, therefore Petitioner seeks a waiver of the mandatory standard in this instance.

(4) Petitioner's alternative method will provide the same measure of protection as afforded by the mandatory standard.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before May 13, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director, Office of Hearings and Appeals.

MARCH 20, 1974.

[FR Doc.74-8277 Filed 4-10-74;8:45 am]

[Docket No. M 74-80]

HELVETIA COAL CO.

Modification of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), Helvertia Coal Company has filed a petition to modify the application of 30 CFR 75.1405 to its Lucerne #6 and #8 Mines, located at Indiana, Pennsylvania.

30 CFR 75.1405 reads as follows:

All haulage equipment acquired by an operator of a coal mine on or after March 30, 1971, shall be equipped with automatic couplers which couple by impact and uncouple without the necessity of persons going between the ends of such equipment. All haulage equipment without automatic couplers in use in a mine on March 30, 1970, shall also be so equipped within 4 years after March 30, 1970.

To be read concurrently with § 75.1405 is § 75.1405-1 which provides:

The requirement of § 75,1405 with respect to automatic couplers applies only to track haulage cars which are regularly coupled and uncoupled.

In support of its petition Petitioner states:

(1) On February 14, 1974, MESA informed Petitioner that, contrary to earlier practice, section 314(f) would, effective March 30, 1974, be deemed applicable and would be enforced with respect to belt haulage mines and to all vehicles used on track even if equipped for off-track use. Said application will result in a diminution of safety to the miners in Petitioner's mines.

(2) Petitioner's mines do not employ a track coal haulage system, but rather a belt coal haulage system. Track is used for supplies and personnel transport only.

(3) Because of the belt system, Petitioner's mines are characterized by entries having a relatively narrow radius of curve, a less uniformly even bottom, and lighter weight rails than mines using a track haulage system.

(4) The cumulative effect of the foregoing characteristics on automatic couplers is to make them susceptible to accidental un-

coupling, to reduce their reliability, and consequently to increase the probability of derailments.

(5) Moreover, virtually all of Petitioner's supply cars in its mines are equipped with retractable rubber wheels which enable them to be used both on and off track. Because of the fixed position of the wheels, the supply cars have limited maneuverability off track and, as a consequence, if equipped with automatic couplers would in almost every instance require a miner to get between vehicles in order to effect the proper alignment for coupling. In addition, off-track use of rubber/rail vehicles tends to cause excessive wear on automatic couplers further reducing their reliability.

(6) Petitioner's equipment currently uses link-and-pin couplers on its track equipment which generally enable the miner to insert the pin without physically positioning himself between vehicles.

(7) Because of the foregoing facts, installation of automatic couplers on all equipment used on track in Petitioner's mines would diminish safety and, in fact, create hazards or the risk of hazards not now present.

(8) Petitioner prior to February 14, 1974, was expressly advised by MESA that its mines did not require automatic couplers because they are not track coal haulage systems. As a result, haulage equipment acquired by Petitioner since March 30, 1971, and in use on that date, are not so equipped.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before May 13, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director, Office of Hearings and Appeals.

MARCH 26, 1974.

[FR Doc.74-8279 Filed 4-10-74;8:45 am]

[Docket No. M 74-71]

NATIONAL COAL MINING CO.

Modification of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), National Coal Mining Company has filed a petition to modify the application of 30 CFR 75.305 to its No. 25 Mine at Ragland, Mingo County, West Virginia.

30 CFR 75.305 reads in pertinent part as follows:

In addition to the preshift and daily examinations required by this Subpart D, examinations for hazardous conditions, including tests for methane, and for compliance with the mandatory health or safety standards, shall be made at least once each week by a certified person designated by the operator in the return of each split of air where it enters the main return, or pillar falls, at seals, in the main return, at least one entry of each intake and return aircourse in its entirety, idle workings, and insofar as safety considerations permit, abandoned areas. * * *

In support of its petition Petitioner states:

(1) No. 25 Mine utilizes three shafts in its ventilation system. At the bottom of two of these shafts the gob areas are located.

(2) The air courses near the bottoms of the shafts are inaccessible for travel due to falls, dangerous roof conditions and/or water. These conditions were in existence prior to the effective date of the Act.

(3) The air courses in question are not part of the mine escapeway system, and the fact that these abandoned areas are not accessible does not present a diminution of safety to the miners.

(4) The air course can be travelled to within 200 feet of the No. 2 shaft, and this area is examined weekly by certified personnel.

(5) All fans are examined daily by qualified personnel.

(6) Any attempt by Petitioner to remove the residue of the falls would only result in unnecessary exposure of the miners to hazardous conditions, and no additional safety would be realized.

(7) The residue of the falls does not materially affect the efficiency of the mine's ventilating system, which has been approved by the District Manager of the Mine Enforcement and Safety Administration.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before May 13, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director, Office of Hearings and Appeals.

MARCH 29, 1974.

[FR Doc.74-8280 Filed 4-10-74;8:45 am]

[Docket No. M 74-81]

WOLF RIDGE COAL CO., INC.

Modification of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 4861(c) (1970), Wolf Ridge Coal Company, Inc., has filed a petition to modify the application of 30 CFR 77.1605(k) to its Wolf Ridge No. 1 Mine located at Oliver Springs, Tennessee.

30 CFR 77.1605(k) reads as follows:

Berms of guards shall be provided on the outer bank of elevated roadways.

In support of its petition Petitioner states that its haulage roads are safe as conditions permit. Petitioner states further that the installation of either berms or guards would result in the diminution of safety of the miners for the following reasons:

(1) The haulage roads are not wide enough to permit the installation of guards or berms. Also, solid rock would have to be blasted, and the resulting highwall along the road would be hazardous.

(2) Guardrails would have to be installed on fill material where it is impossible to install an effective guard.

(3) Berms and guards would hamper snow removal.

(4) Drainage would be impeded, and washouts and hazardous conditions would result. It would be difficult to prevent icy conditions during the winter months.

(5) The equipment now being used for road maintenance would have to be replaced, and material removed from drainage ditches would have to be hauled to a suitable location.

(6) Much of its haulage time is on county and state roads which are no safer than Petitioner's present haulage road.

In sum, Petitioner believes that it would be detrimental to the safety of the miners if the safety standard in issue is applied. At present, Petitioner's haulage roads provide more protection than afforded by the application of the safety standard.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before May 13, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director, Office of Hearings and Appeals.

MARCH 26, 1974.

[FR Doc.74-8281 Filed 4-10-74;8:45 am]

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

[FSP No. 1974-1.2; Amdt. 2]

FOOD STAMP PROGRAM

Maximum Monthly Allowable Income Standards and Basis of Coupon Issuance

Section 7(a) of the Food Stamp Act, as amended, requires that the value of the coupon allotment be adjusted semi-annually by the nearest increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics.

Prior to the amendment to the Act, requiring semi-annual adjustment of the value of the coupon allotment, the adjustments were made at the beginning of each fiscal year; i.e., in July based on the cost of the economy food plan in the preceding December. With the enactment of the semi-annual adjustment, the law specified that the first adjustment be made in January 1974 to reflect changes in food prices through August 1973. A similar procedure is used for the July 1, 1974 adjustment in the value of the coupon allotment which is based on the cost of the economy food plan in February 1974.

The total monthly coupon allotments for some households are not divisible by four. This results in total coupon allotments of uneven dollar amounts for those households which choose to purchase one-fourth or three-fourths of their total coupon allotment. For such households, the State agency shall round the face value of one-fourth or three-fourths of the total coupon allotment up to the next higher whole dollar amount and shall not

change the purchase requirements for such allotments.

In view of the need for placing this notice into effect on July 1, 1974, it is hereby determined that it is impracticable and contrary to the public interest to give notice of proposed rulemaking with respect to this notice. Notice FSP No. 1974–1.2 reads as follows:

MAXIMUM MONTHLY ALLOWABLE INCOME STANDARDS AND BASIS OF COUPON ISSUANCE: 48 STATES AND DISTRICT OF COLUMBIA

As provided in § 271.3(b), households in which all members are included in the federally aided public assistance or general assistance grant shall be determined to be eligible to participate in the program while receiving such grants without regard to the income and resources of the household members.

The maximum allowable income standards for determining eligibility of all other applicant households, including those in which some members are recipients of federally aided public assistance or general assistance, in any State other than Alaska or Hawaii or in the District of Columbia, shall be the higher of:

(1) The maximum allowable monthly income standards for each household size which were in effect in such States or the District of Columbia prior to July 29, 1971, or

(2) The following maximum allowable monthly income standards.

Maximum allowable monthly income standards—48 States and District of Columbia

Household size:	
1	$194
2	273
3	393
4	500
5	593
6	680
7	767
8	853
Each additional member	+73

"Income" as the term is used in the notice is as defined in paragraph (c) of § 271.3 of the Food Stamp Program Regulations.

Pursuant to section 7 (a) and (b) of the Food Stamp Act, as amended, (7 U.S.C. 2016, Pub. L. 91–671), the face value of the monthly coupon allotment which state agencies are authorized to issue to any household certified as eligible to participate in the Program and the amount charged for the monthly coupon allotment in the 48 States and the District of Columbia are as follows:

Monthly coupon allotments and purchase requirements—48 States and District of Columbia

Monthly net income	For a Household of—							
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
	The monthly coupon allotment is—							
	$46	$82	$118	$150	$178	$204	$230	$256
	And the monthly purchase requirement is—							
$0 to $19.99	0	0	0	0	0	0	0	0
$20 to $29.99	1	1	0	0	0	0	0	0
$30 to $39.99	4	4	4	4	5	5	5	5
$40 to $49.99	6	7	7	7	8	8	8	8
$50 to $59.99	8	10	10	10	11	11	12	12
$60 to $69.99	10	12	13	13	14	14	15	16
$70 to $79.99	12	15	16	16	17	17	18	19
$80 to $89.99	14	18	19	19	20	21	21	22
$90 to $99.99	16	21	21	22	23	24	25	26
$100 to $109.99	18	23	24	25	26	27	28	29
$110 to $119.99	21	26	27	28	29	31	32	33
$120 to $129.99	24	29	30	31	33	34	35	36
$130 to $139.99	27	32	33	34	36	37	38	39
$140 to $149.99	30	35	36	37	39	40	41	42
$150 to $169.99	33	38	40	41	42	43	44	45
$170 to $189.99	36	44	46	47	48	49	50	51
$190 to $209.99	36	50	52	53	54	55	56	57
$210 to $229.99		56	58	59	60	61	62	63
$230 to $249.99		62	64	65	66	67	68	69
$250 to $269.99		62	70	71	72	73	74	75
$270 to $289.99		62	76	77	78	79	80	81
$290 to $309.99			82	83	84	85	86	87
$310 to $329.99			88	89	90	91	92	93
$330 to $359.99			94	95	96	97	98	99
$360 to $389.99			100	104	105	106	107	108
$390 to $419.99			100	113	114	115	116	117
$420 to $449.99				122	123	124	125	126
$450 to $479.99				126	132	133	134	135
$480 to $509.99				126	141	142	143	144
$510 to $539.99					150	151	152	153
$540 to $569.99					150	160	161	162
$570 to $599.99					150	169	170	171
$600 to $629.99						172	179	180
$630 to $659.99						172	188	189
$660 to $689.99						172	194	198
$690 to $719.99							194	207
$720 to $749.99							194	216
$750 to $779.99							194	216
$780 to $809.99								216
$810 to $839.99								216
$840 to $869.99								216

FOR ISSUANCE TO HOUSEHOLDS OF MORE THAN EIGHT PERSONS USE THE FOLLOWING FORMULA

A. *Value of the total allotment.* For each person in excess of eight, add $22 to the monthly coupon allotment for an eight-person household.

B. *Purchase requirement.* 1. Use the purchase requirement shown for the eight-person household for households with incomes of $749.99 or less per month.

2. For households with monthly incomes of $750 or more, use the following formula:

For each $30 worth of monthly increase (or portion thereof) over $749.99, add $9 to the monthly purchase requirement shown for an eight-person household with an income of $749.99.

3. To obtain maximum monthly purchase requirements for households of more than eight persons, add $18 for each person over eight to the maximum purchase requirement shown for an eight-person household.

Effective date. The provisions of this notice shall become effective on July 1, 1974.

CLAYTON YEUTTER,
Assistant Secretary.

APRIL 5, 1974.

[FR Doc.74-8194 Filed 4-10-74;8:45 am]

Packers and Stockyards Administration

[Docket No. 4933]

CORONA LIVESTOCK AUCTION, INC.

Complaint, Order of Suspension, and Hearing Regarding Schedule of Rates and Charges

Notice is hereby given that on March 15, 1974, the respondent filed a proposed amendment to its current schedule of rates and charges, under Title III of the Packers and Stockyards Act, 1921, as amended, 42 Stat. 159, as amended (7 U.S.C. 181 et seq.), to become effective April 1, 1974. The proposed amended tariff reads as follows:

ITEM NO. II—CHARGE CLASSIFICATION

Section 1. Selling Commission

a. Cattle:

(1) Cattle sold for dairy purpose only, 5 percent of selling price.

(2) Feeder cattle sold by auction, 5 percent of selling price.

(3) Cattle sold as beef for slaughter only weighing 400 lbs. and over, $5.00 per head.

(4) Feeder cattle sold by weight, less than 400 lbs., $3.00 per head.

(5) Breeding bulls sold for daily purposes only at auction, 5 percent of selling price.

(6) Bulls sold as beef for slaughter only, $6.00 per head.

(7) Breeding bulls sold by weight, $6.00 per head.

b. Horses, 5 percent of selling price.

Section 2. Yardage

a. All livestock; 20¢ per head.

Section 3. Feed

a. Cattle:

(1) Weighing less than 500 lbs., 75¢ per head per day.

(2) Weighing 500 to 699 lbs., 85¢ per head per day.

(3) Weighing 700 lbs. and over, $1.00 per head per day.

Rates shall be posted and charged in keeping with the cost of feed, F.O.B. Corona Livestock Auction, Inc. plus a reasonable handling charge not to exceed $.60 per hundredweight.

Section 4. Special and Unusual Services

a. Special selling and stockyard services, such as involved in featured registered cattle and calf sale, not usually required in handling livestock for sale and other than specified, will be charged for under special arrangement.

Notice is given hereby also that on March 29, 1974, the Packers and Stockyards Administration, United States Department of Agriculture, filed a "Complaint, Order of Suspension, and Notice of Hearing" with respect to the respondent's rates and charges. The contents of such document are as follows:

This proceeding is instituted pursuant to the provisions of Title III of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), hereinafter referred to as the Act.

I. The respondent is now, and at all times mentioned herein was, registered with the Secretary of Agriculture as a market agency to sell livestock on commission at the Corona Livestock Auction, Inc., Corona, California, which is now, and at all times mentioned herein was, a posted stockyard subject to the provisions of the Act.

II. In accordance with the requirements of the Act, the respondent has heretofore filed and presently has in effect a schedule of rates and charges for its services at the aforementioned stockyard.

III. On March 15, 1974, the respondent filed a Supplement No. 3 to its current schedule of rates and charges to become effective on April 1, 1974, containing certain increases in the current rates and charges.

IV. Upon an analysis of the information available to the Packers and Stockyards Administration, United States Department of Agriculture, there is reason to believe that the charges are unjust, unreasonable, or discriminatory.

V. It is concluded, therefore, that a proceeding under Title III of the Act should be instituted for the purpose of determining the reasonableness and lawfulness of the rates and charges set forth in the respondent's schedule of rates and charges as modified by the amendment filed on March 15, 1974, and that pending a hearing and decision in this proceeding, the operation of the modifications of the current schedule of rates and charges should be suspended and the use of such modified rates and charges deferred.

VI. It is further concluded that a hearing should be had for the purpose of determining the lawfulness of all rates and charges of the respondent and of any rule, regulation, or practice affecting said rates and charges.

It is therefore ordered, That the operation and use by the respondent of the modifications of the current schedule of rates and charges filed on March 15, 1974, to become effective on April 1, 1974, are hereby suspended and deferred until the expiration of thirty days beyond the time when such modified rates would otherwise go into effect.

It is further ordered, That notice to the respondent shall be, and is hereby, given that a hearing concerning the matters set forth herein will be held before an Administrative Law Judge of the Department at a time and place to be specified at a later date, of which the respondent will receive adequate notice. At such hearing the respondent and all other interested persons will have a right to appear and present such evidence with respect to the matters and things set forth herein as may be relevant and material.

It is further ordered, That any and all interested persons who may wish to appear and present evidence relative to the issues in this proceeding shall give notice thereof by filing a statement to that effect with the Hearing Clerk, United States Department of Agriculture, Washington, D.C. on or before May 1, 1974.

It is further ordered, That a copy hereof be served upon the respondent.

Done at Washington, D.C., April 3, 1974.

MARVIN L. MCLAIN,
Administrator, Packers and Stockyards Administration.

[FR Doc.74-8306 Filed 4-10-74;8:45 am]

Rural Electrification Administration

MINNKOTA POWER COOPERATIVE, INC.

Draft Environmental Impact Statement

Notice is hereby given that the Rural Electrification Administration intends to prepare a draft environmental impact statement in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 in connection with an anticipated request to provide insured loan funds for Minnkota Power Cooperative, Inc., P.O. Box 1318, Grand Forks, North Dakota 58201, which will provide for new transmission facilities.

The proposed transmission facilities are presently expected to consist of 53 miles of 230 kV transmission line from the existing Winger Substation to the proposed 230/115 kV Grass Lake Substation near Wilton, Minnesota. The proposed project is expected to be located in Polk, Clearwater and Beltrami Counties in northwestern Minnesota. It is expected that Otter Tail Power Company of Fergus Falls, Minnesota, will participate in this project. Interested persons are invited to submit comments which may be helpful in preparing the draft Environmental Impact Statement.

Comments should be forwarded to the Assistant Administrator—Electric, Rural Electrification Administration, U.S. Department of Agriculture, Washington, D.C. 20250, with a copy to the borrower whose address was given above. Additional information may be obtained at the borrower's office during regular business hours.

Dated at Washington, D.C., this 4th day of April, 1974.

DAVID A. HAMIL,
Administrator.

[FR Doc.74-8305 Filed 4-10-74;8:45 am]

DEPARTMENT OF COMMERCE

Domestic and International Business Administration

COMPUTER PERIPHERALS, COMPONENTS AND RELATED TEST EQUIPMENT TECHNICAL ADVISORY COMMITTEE

Notice of Meeting

The Computer Peripherals, Components and Related Test Equipment Technical Advisory Committee of the U.S. Department of Commerce will meet Thursday, April 18, 1974, at 9:30 a.m. in Room 6705 of the Main Commerce Building, 14th and Constitution Avenue, NW., Washington, D.C.

Members advise the Office of Export Administration, Bureau of East-West Trade, with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to computer peripherals, components, and related test equipment, including technical data related thereto, and including those whose export is subject to multilateral (COCOM) controls.

Agenda items are as follows:

1. Opening remarks by the Chairman.
2. Presentation of papers or comments from the public.
3. Review of subgroup report on test equipment.
4. Report by Chairmen of Input/Output and Memory Equipment Subgroups on transfer of technology and discussion thereof.
5. Executive Session:
   a. Continuation of review of subgroup report on test equipment.
   b. Continuation of report on, and discussion of, technology transfer report.
   c. Discussion of future assignments.

The Computer Peripherals, Components and Related Test Equipment Technical Advisory Committee was established January 3, 1973, and consists of technical experts from a representative cross-section of the industry in the United States and officials representing various agencies of the U.S. Government. The industry members are appointed by the Assistant Secretary for Domestic and International Business to serve a two-year term.

The public will be permitted to attend the discussion of agenda items 1-4, and a limited number of seats—approximately 15—will be available to the public for these agenda items. To the extent time permits members of the public may present oral statements to the committee. Interested persons are also invited to file written statements with the committee.

With respect to agenda item (5), "Executive Session," the Assistant Secretary of Commerce for Administration, on December 20, 1973, determined, pursuant to section 10(d) of Pub. L. 92-463, that

this agenda item should be exempt from the provisions of sections 10 (a) (1) and (a) (3), relating to open meetings and public participation therein, because the meeting will be concerned with matters listed in 5 U.S.C. 552(b) (1).

Further information may be obtained from Charles C. Swanson, Director, Operations Division, Office of Export Administration, Room 1620, U.S. Department of Commerce, Washington, D.C. 20230 (A/C 202-967-4196).

Minutes of those portions of the meeting which are open to the public will be available 30 days from the date of the meeting upon written request addressed to: Central Reference and Records Inspection Facility, U.S. Department of Commerce, Washington, D.C. 20230.

Dated: April 8, 1974.

RAUER H. MEYER,
Director, Office of Export Administration, Bureau of East-West Trade, U.S. Department of Commerce.

[FR Doc.74-8372 Filed 4-10-74;8:45 am]

COMPUTER SYSTEMS TECHNICAL ADVISORY COMMITTEE

Notice of Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92-463), notice is hereby given that a meeting of the Safeguards Subgroup of the Computer Systems Technical Advisory Committee will be held Wednesday, April 24, 1974, at 10:00 a.m. in Room 1062, 1717 H Street NW., Washington, D.C.

Members advise the Office of Export Administration, Bureau of East-West Trade, with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to computer systems, including technical data related thereto, and including those whose export is subject to multilateral (COCOM) controls.

Agenda items are as follows:

1. Opening remarks and review of work of the subgroup by Jeremiah F. Katz, Acting Chairman.
2. Presentation of papers or comments by the public.
3. Executive Session:
   a. Presentation of final papers for the subgroup report.
   b. Discussion of report.
   c. Adoption of report for formal submission to full committee.
4. Adjournment.

The public will be permitted to attend the discussion of agenda items 1-2, and a limited number of seats will be available to the public for these agenda items. To the extent time permits, members of the public may present oral statements to the subgroup. Interested persons are also invited to file written statements with the subgroup.

With respect to agenda item 3, "Executive Session," the Assistant Secretary of Commerce for Administration, on December 20, 1973, determined, pursuant to section 10(d) of Pub. L. 92-463, that this agenda item should be exempt from the provisions of sections 10 (a) (1) and (a) (3), relating to open meetings and public participation therein, because the meeting will be concerned with matters listed in 5 U.S.C. 552(b) (1).

Further information may be obtained from Jeremiah F. Kratz, Acting Chairman of the subgroup, Atomic Energy Commission, Washington, D.C. 20545 (A/C 202-973-5351).

Minutes of those portions of the meeting which are open to the public will be available 30 days from the date of the meeting upon written request addressed to: Central Reference and Records Inspection Facility, U.S. Department of Commerce, Washington, D.C. 20230.

Dated: April 5, 1974.

RAUER H. MEYER,
Director, Office of Export Administration, Bureau of East-West Trade, U.S. Department of Commerce.

[FR Doc.74-8370 Filed 4-10-74;8:45 am]

SEMICONDUCTOR TECHNICAL ADVISORY COMMITTEE

Notice of Meeting

The Semiconductor Technical Advisory Committee of the U.S. Department of Commerce will meet on Tuesday, April 30, 1974, at 9:30 a.m. in Room 3817 of the Main Commerce Building, 14th and Constitution Avenue, NW., Washington, D.C.

Members advise the Office of Export Administration, Bureau of East-West Trade, with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to semiconductor products, including technical data related thereto, and including those whose export is subject to multilateral (COCOM) controls.

Agenda items are as follows:

1. Opening remarks by the Chairman.
2. Presentation of papers or comments by the public.
3. Review of prior work.
4. Discussion of integrated circuits.
5. Executive Session:
   a. Continuation of review of prior work.
   b. Continuation of discussion of integrated circuits.

The public will be permitted to attend the discussion of agenda items 1-4, and a limited number of seats will be available to the public for these agenda items. To the extent time permits, members of the public may present oral statements to the committee. Interested persons are also invited to file written statements with the committee.

With respect to agenda item (5), "Executive Session," the Assistant Secretary of Commerce for Administration, on December 20, 1973, determined, pursuant to section 10(d) of Pub. L. 92-463, that this agenda item should be exempt from the provision of sections 10(a) (1) and (a) (3), relating to open meetings and public participation therein, because the meeting will be concerned with matters listed in 5 U.S.C. 552(b) (1).

Further information may be obtained from Charles C. Swanson, Director, Operations Division, Office of Export Administration, Room 1620, U.S. Department of Commerce, Washington, D.C. 20230 (A/C 202-967-4196).

Minutes of those portions of the meeting which are open to the public will be available 30 days from the date of the meeting upon written request addressed to: Central Reference and Records Facility, U.S. Department of Commerce, Washington, D.C. 20230.

Dated: April 8, 1974.

RAUER H. MEYER,
Director, Office of Export Administration, Bureau of East-West Trade, U.S. Department of Commerce.

[FR Doc.74-8371 Filed 4-10-74;8:45 am]

Maritime Administration

INTERSTATE OIL TRANSPORT CO.

Application for Construction-Differential Subsidy

Notice is hereby given that Interstate Oil Transport Company filed on April 2, 1974, pursuant to Title V of the Merchant Marine Act, 1936, as amended, an application for a construction-differential subsidy to aid in the construction of one new tank vessel of approximately 42,970 deadweight tons for use in the foreign commerce of the United States.

Any person may inspect this application in the Office of the Secretary, Room 3099 B, Maritime Administration, Department of Commerce, 14th and E Streets, NW., Washington, D.C. 20230.

So Ordered by the Maritime Subsidy Board Maritime Administration.

Dated: April 8, 1974.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc.74-8357 Filed 4-10-74;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institutes of Health

EPIDEMIOLOGY AND BIOMETRY ADVISORY COMMITTEE

Notice of Meeting

Pursuant to Pub. L. 92-463, notice is hereby given of the meeting of the Epidemiology and Biometry Advisory Committee, National Heart and Lung Institute, April 22, 1974, Landow Building, Bethesda, Maryland, Room C418. This meeting will be open to the public from 8:15 a.m. to 9:15 a.m. on April 22 to discuss the current stage of progress of the hypertension detection and followup program. Attendance by the public will be limited to space available. The meeting

will be closed to the public from 9:15 a.m. to 5:00 p.m. on April 22 for the review and discussion of ongoing contracts in the hypertension area and epidemiology studies in accordance with the provisions set forth in section 552(b)4 of Title 5, U.S. Code and section 10(d) of Pub. L. 92-463.

Mr. Hugh Jackson, Information Officer, National Heart and Lung Institute, Room 5A20, Building 31, phone 496-4236, will provide summaries of the meeting and rosters of the committee members. Dr. William J. Zukel, Executive Secretary of the Committee, Room C809C, Landow Building, phone 496-2533, will provide substantive program information.

(Catalog of Federal Domestic Assistance Program No. 13.826, National Institutes of Health.)

Dated: March 31, 1974.

LEON M. SCHWARTZ,
Associate Director for Administration, National Institutes of Health.

[FR Doc.74-8294 Filed 4-10-74;8:45 am]

NATIONAL ADVISORY DENTAL RESEARCH COUNCIL

Notice of Meeting

Pursuant to Pub. L. 92-463, notice is hereby given of the meeting of the National Advisory Dental Research Council, National Institute of Dental Research, April 24, 1974, National Institutes of Health, Building 31-C, Conference Room 8. This meeting will be open to the public from 10:00 to 10:30 a.m. on April 24 for general discussion. The meeting will be closed to the public from 10:30 a.m. to adjournment on April 24, to review training and fellowship applications in accordance with the provisions set forth in section 552(b) 4 of Title 5 U.S. Code and section 10(d) of Pub. L. 92-463. Attendance by the public will be limited to space available.

The Executive Secretary from whom substantive information may be obtained is Dr. Clair L. Gardner, Associate Director for Extramural Programs, National Institute of Dental Research, National Institutes of Health, Westwood Building, Room 503, Bethesda, Maryland 20014, phone 496-7723.

(Catalog of Federal Domestic Assistance Program No. 13.325, National Institutes of Health.)

Dated: April 4, 1974.

LEON M. SCHWARTZ,
Associate Director for Administration, National Institutes of Health.

[FR Doc.74-8292 Filed 4-10-74;8:45 am]

SICKLE CELL DISEASE ADVISORY COMMITTEE

Notice of Meeting

Pursuant to Pub. L. 92-463, notice is hereby given of the meeting of the Sickle Cell Disease Advisory Committee, National Heart and Lung Institute, April 22 and 23, 1974, National Institutes of Health, Building 31-C, Conference Room 8. The entire meeting will be open to the public from 8:30 a.m. to 5:00 p.m. each day to discuss recommendations on the implementation and evaluation of the Sickle Cell Disease Program. Attendance by the public will be limited to space available.

Mr. Hugh Jackson, Information Officer, National Heart and Lung Institute, Room 5A20, Building 31, phone 496-4236, will provide summaries of the meeting and rosters of the committee members. Mr. Howard F. Manly, Executive Secretary of the Committee, Room 5A03, Building 31, phone 496-6931, will provide substantive program information.

Dated: April 4, 1974.

LEON M. SCHWARTZ,
Associate Director for Administration, National Institutes of Health.

[FR Doc.74-8293 Filed 4-10-74;8:45 am]

TASK FORCE ON CARDIOVASCULAR REHABILITATION

Notice of Meeting

The National Heart and Lung Institute wishes to announce the fourth meeting of the Task Force on Cardiovascular Rehabilitation. The meeting will take place on April 22, 1974 from 9:00 a.m. to 5:00 p.m., in Conference Room 3, Building 31A and on April 23, 1974, from 9:00 a.m. to 5:00 p.m., in Conference Room 5, Building 31A, National Institutes of Health, Bethesda, Maryland. The purpose of the meeting is to continue discussion of topics related to cardiovascular rehabilitation.

Attendance by the public will be limited to space available. For further information, please contact Dr. Bernard H. Doft, 496-5421, Landow Building, Room A-922.

Dated: March 31, 1974.

LEON M. SCHWARTZ,
Associate Director for Administration, National Institutes of Health.

[FR Doc.74-8295 Filed 4-10-74;8:45 am]

Office of Education

POSTSECONDARY EDUCATION COMPREHENSIVE STATEWIDE PLANNING GRANTS PROGRAM

Program Operation for Fiscal Year 1974 and of Closing Date for Receipt of Applications

Notice is hereby given that pursuant to the authority contained in Section 1203 of Title XII of the Higher Education Act of 1965, as amended, (20 U.S.C. 1142b) applications for grants under the Postsecondary Education Comprehensive Statewide Planning Grants Program are being accepted from State Postsecondary Education Commissions. Such Commissions must be established pursuant to section 1202(a) of the Act and the notice which was published in the FEDERAL REGISTER on March 26, 1974 (Vol. 39, No. 59, pp. 11216-17), for the purpose of establishing a closing date of April 25, 1974, for submission of information to the U.S. Commissioner of Education regarding the establishment of such State Commissions.

For fiscal year 1974, approximately $1,000,000 is available for such grants. Such funds will be allocated equally among those State Postsecondary Education Commissions which have been established in accordance with the conditions set forth in the paragraph above. A grant must be used by a State Commission to conduct comprehensive inventories of, and studies with respect to, all public and private postsecondary educational resources in the State, including planning necessary for such resources to be better coordinated, improved, expanded or altered so that all persons within the State who desire, and who can benefit from, postsecondary education may have an opportunity to do so.

Applications for such grants are available from the State Planning Commissions Program Office, Office of Student Assistance, Bureau of Postsecondary Education, U.S. Office of Education, 400 Maryland Avenue SW., Washington, D.C. 20202. Applications submitted must include the following:

(a) A description of the proposed activities and a statement as to their purposes and objectives;

(b) A brief description of the current comprehensive planning activities for postsecondary education in the State, including a reference to any planning deficiencies which the proposal is intended to correct;

(c) A statement as to the nature of the expected coordination of the proposed activities with institutions and agencies in the State which are concerned with postsecondary education;

(d) A brief description of the methodology to be utilized in the proposed activities;

(e) A statement as to the intended use or implementation of the results to be produced by the proposed activities;

(f) A description of the anticipated benefits to postsecondary education within the State which will result from the project.

Applications must be received by the State Planning Commissions Program, Office of Student Assistance, Bureau of Postsecondary Education, U.S. Office of Education, 400 Maryland Avenue, SW., Washington, D.C. 20202, Attention: 13.550 on or before May 16, 1974.

An application sent by mail will be considered to be received on time by the Office of Education if:

(a) The application was sent by registered or certified mail not later than the fifth calendar day prior to the closing date (or if such fifth calendar day is a Saturday, Sunday, or Federal holiday, not later than the next following business day), as evidenced by the U.S. Postal Service postmark on the wrapper or envelope, or on the original receip from the U.S. Postal Service; or

(b) The application is received on or before the closing date by either the Department of

Health, Education, and Welfare, or the U.S. Office of Education mail rooms in Washington, D.C. (In establishing the date of receipt, the Commissioner will rely on the time-date stamp of such mail rooms or other documentary evidence of receipt maintained by the Department of Health, Education, and Welfare, or the U.S. Office of Education.

(20 U.S.C. 1142b)

Dated: April 2, 1974.

DUANE J. MATTHEIS,
Acting U.S. Commissioner of Education.

(Catalog of Federal Domestic Assistance Number 13.550; State Postsecondary Education Commissions)

[FR Doc.74-8309 Filed 4-10-74:8:45 am]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal Disaster Assistance Administration

ALABAMA

[Docket No. NFD-169, FDAA-422-DR]

Amendment to Notice of Major Disaster

Notice of Major Disaster for the State of Alabama, dated April 4, 1974, is hereby amended to include the following counties among those counties determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of April 4, 1974:

The counties of:

Blount	Jefferson
Cherokee	Lamar
Colbert	Pickens
Franklin	Tuscaloosa
Jackson	

Dated: April 5, 1974.

(Catalog of Federal Domestic Assistance No. 14.701, Disaster Assistance)

WILLIAM E. CROCKETT,
Acting Administrator, Federal Disaster Assistance Administration.

[FR Doc.74-8332 Filed 4-10-74;8:45 am]

[Docket No. NFD-170, FDAA-425-DR]

GEORGIA

Major Disaster and Related Determinations

Pursuant to the authority vested in the Secretary of Housing and Urban Development by the President under Executive Order 11749 of December 10, 1973; and delegated to me by the Secretary under Department of Housing and Urban Development Delegation of Authority, Docket No. D-73-238; and by virtue of the Act of December 31, 1970, entitled "Disaster Relief Act of 1970" (84 Stat. 1744), as amended by Pub. L. 92-209 (85 Stat. 742); notice is hereby given that on April 5, 1974, the President declared a major disaster as follows:

I have determined that the damage in certain areas of the State of Georgia resulting from tornadoes, occurring on April 3 and 4, 1974, is of sufficient severity and magnitude to warrant a major disaster declaration under Public Law 91-606. I therefore declare that such a major disaster exists in the State of Georgia. You are to determine the specific areas within the State eligible for Federal assistance under this declaration.

Notice is hereby given that pursuant to the authority vested in the Secretary of Housing and Urban Development under Executive Order 11749, and delegated to me by the Secretary under Department of Housing and Urban Development Delegation of Authority, Docket No. D-73-238, to administer the Disaster Relief Act of 1970 (Pub. L. 91-606, as amended), I hereby appoint Mr. Thomas P. Credle, HUD Region 4, to act as the Federal Coordinating Officer to perform the duties specified by section 201 of that Act for this disaster.

I do hereby determine the following areas in the State of Georgia to have been adversely affected by this declared major disaster:

The Counties of:

Bartow	Murray
Dawson	Paulding
Fannin	Pickens
Gilmer	Rabun
Gordon	Whitfield
Haralson	

This disaster has been designated as FDAA-425-DR.

Dated: April 5, 1974.

(Catalog of Federal Domestic Assistance No. 14.701, Disaster Assistance)

WILLIAM E. CROCKETT,
Acting Administrator, Federal Disaster Assistance Administration.

[FR Doc.74-8333 Filed 4-10-74;8:45 am]

[Docket No. NFD-171; FDAA-420-DR]

KENTUCKY

Notice of Major Disaster

Notice of Major Disaster for the State of Kentucky, dated April 4, 1974, is hereby amended to include the following counties among those counties determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of April 4, 1974:

The Counties of:

Anderson	Scott

Dated: April 5, 1974.

(Catalog of Federal Domestic Assistance No. 14.701, Disaster Assistance)

WILLIAM E. CROCKETT,
Acting Administrator, Federal Disaster Assistance Administration.

[FR Doc.74-8334 Filed 4-10-74;8:45 am]

[Docket No. NFD-172, FDAA-424-DR]

TENNESSEE

Notice of Major Disaster

Notice of Major Disaster for the State of Tennessee, dated April 4, 1974, is hereby amended to include the following counties among those counties determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of April 4, 1974:

The Counties of:

Lincoln	Putnam

Dated: April 5, 1974.

(Catalog of Federal Domestic Assistance No. 14.701, Disaster Assistance.)

WILLIAM E. CROCKETT,
Acting Administrator, Federal Disaster Assistance Administration.

[FR Doc.74-8335 Filed 4-10-74;8:45 am]

Federal Insurance Administration

[Docket No. N-74-226]

BANKS AND SAVINGS AND LOAN ASSOCIATIONS

Flood Insurance Hotline

Notice is hereby given that banks and savings and loan associations with questions about the National Flood Insurance Program or the Flood Disaster Protection Act of 1973 may call 800-424-8872 or 800-424-8873 toll free for answers to their questions.

Effective date. This notice shall be effective April 11, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-8322 Filed 4-10-74;8:45 am]

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

PUERTO RICO'S PROPOSED ACTION PLAN

Highway Development

The Puerto Rico Highway Authority has submitted to the Federal Highway Administration of the U.S. Department of Transportation a proposed Action Plan as required by Policy and Procedure Memorandum 90-4 issued on June 1, 1973. The Action Plan outlines the organizational relationships, the assignments of responsibility, and the procedures to be used by the Highway Authority to asure that economic, social and environmental effects are fully considered in developing highway projects and that final decisions on highway projects are made in the best overall public interest, taking into consideration: (1) needs for fast, safe and efficient transportation; (2) public services; and (3) costs of eliminating or minimizing adverse effects.

The proposed Action Plan is available for public review at the following locations:

1. Puerto Rico Highway Authority
   Minillas Government Center 10th Floor
   De Diego Avenue, Stop #22
   Santurce, Puerto Rico 00936
2. Puerto Rico Division Office—FHWA
   Caso Building, Room 805
   1225 Ponce de Leon Avenue
   San Juan, Puerto Rico 00907

3. FHWA Regional Office—Region 1
4 Normanskill Boulevard
Delmar, New York 12054
4. U.S. Department of Transportation
Federal Highway Administration
Environmental Development Division
Nassif Building—Room 3246
400–7th Street SW.
Washington, D.C. 20590

Comments from interested groups and the public on the proposed Action Plan are invited. Comments should be sent to the FHWA Regional Office shown above before May 8, 1974.

Issued on April 8, 1974.

NORBERT T. TIEMANN,
Federal Highway Administrator.

[FR Doc.74–8373 Filed 4–10–74;8:45 am]

ATOMIC ENERGY COMMISSION

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS ENVIRONMENTAL SUBCOMMITTEE

Deletion of Portion of Agenda

APRIL 9, 1974.

The agenda for the open portion of the meeting of the Advisory Committee on Reactor Safeguards' Environmental Subcommittee for April 18–19, 1974, notice of which was published in the FEDERAL REGISTER on March 29, 1974, 39 FR 11640, has been deleted and the meeting will now be closed to the public. The open portion of the meeting was to be the review of a report by Marc Ross entitled "The Possibility of Release of Cesium in a Spent-Fuel Transportation Accident". It was planned that the Subcommittee would be briefed by the Regulatory Staff on its analysis of the Ross Report. Since the Staff has written its analysis, it has been determined that it is not necessary for the Subcommittee to be briefed by the Staff.

However, persons wishing to submit written statements to the ACRS regarding the Ross Report, or the Regulatory Staff's analysis of the Ross Report (both of which are available in the AEC's Public Document Room, 1717 H Street NW., Washington, D.C. 20545) may do so as specified in paragraph (a) of the March 29, 1974 FEDERAL REGISTER Notice with the exception that written statements will be accepted through April 17, 1974.

All other aspects of the notice published on March 29, 1974 remain the same, including the determination to close the remaining portions of the meeting.

JOHN C. RYAN,
Advisory Committee Management Officer.

[FR Doc.74–8483 Filed 4–10–74;9:53 am]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS SUBCOMMITTEE ON ECCS

Notice of Meeting

APRIL 9, 1974.

In accordance with the purposes of sections 29 and 182b. of the Atomic Energy Act (42 U.S.C. 2039, 2232b.), the Advisory Committee on Reactor Safeguards' Subcommittee on ECCS will hold a meeting on April 25 and 26, 1974 in Room 1046, 1717 H Street NW., Washington, D.C. The purpose of this meeting will be to discuss analytical models formulated to meet current ECCS criteria.

The following constitutes that portion of the Subcommittee's agenda for the above meeting which will be open to the public:

THURSDAY, APRIL 25, 1974, 1:00 P.M.–4:00 P.M.

Discussion with the AEC Regulatory Staff and General Electric Company on models formulated to meet current ECCS criteria.

FRIDAY, APRIL 26, 1974, 9:00 A.M.–3:00 P.M.

Discussion with the AEC Regulatory Staff and Westinghouse Electric Company on models formulated to meet current ECCS criteria.

In connection with the above agenda items, the Subcommittee will hold executive sessions before and after each day's meeting to discuss its preliminary views and to exchange opinions and formulate recommendations to the ACRS. In addition, following the public portion of the meeting on each day, the Subcommittee may hold a closed session with the Regulatory Staff and GE, or Westinghouse to discuss privileged information relating to the ECCS models.

I have determined, in accordance with subsection 10(d) of Pub. L. 92–463, that the executive sessions at the beginning and end of each day 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 each day to discuss certain documents 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 the free interchange of internal views and to avoid undue interference with 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 items may do so by mailing 25 copies thereof, postmarked no later than April 18, 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 documents on file and available for public inspection at the Atomic Energy Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20545.

(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 1:00 p.m. and 4:00 p.m. on April 25, 1974 and between 1:00 p.m. and 3:00 p.m. on April 26, 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 24, 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., Eastern Daylight Time.

(e) Questions may be propounded only by members of the Subcommittee and its consultants.

(f) Seating for the public will be available on a first-come, first-served basis.

(g) 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) A copy of the transcript of the open portions of the meeting will be available for inspection during the following workday at the Atomic Energy Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20545. 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.

(i) 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 26, 1974. Copies may be obtained upon payment of appropriate charges.

JOHN C. RYAN,
Advisory Committee Management Officer.

[FR Doc.74–8484 Filed 4–10–74;9:53 am]

[Docket No. 50-271]

VERMONT YANKEE NUCLEAR POWER STATION

Amendment to Facility Operating License

Pursuant to the National Environmental Policy Act of 1969 and the United States Atomic Energy Commission's (the Commission) regulations in Appendix D, §§ A.9 and A.11, to 10 CFR Part 50, notice is hereby given that a decision dated February 28, 1974, by the Atomic Safety and Licensing Appeal Board in the above captioned proceeding authorizing issuance of an amended license to the Vermont Yankee Nuclear Power Corporation, for operation of the Vermont Yankee Nuclear Power Station, located in Windham County, Vermont, 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 Brooks Memorial Library, 224 Main Street, Brattleboro, Vermont 05301.

The decision by the Atomic Safety and Licensing Appeal Board is also being made available at the Vermont Agency of Administration, Dept. of Budget and Management, Pavilion Office Building, Montpelier, Vermont 05602, and at the Windham Regional Planning and Development Commission, 139 Main Street, Brattleboro, Vermont 05301.

Based on the record developed in the public hearing in the above captioned matter, the decision of the Atomic Safety and Licensing Appeal Board modified in certain respects the initial decision of the Atomic Safety and Licensing Board (ASLB) dated February 27, 1973, and the contents of the Final Environmental Statement relating to the licensing for operation of the Vermont Yankee Nuclear Power Station, prepared by the Commission's Directorate of Licensing. A copy of the Final Environmental Statement and the initial decision are also available for public inspection at the above designated locations.

Pursuant to the provisions of 10 CFR Part 50, Appendix D, § A.11, the initial decision of the ASLB and the Final Environmental Statement are deemed modified to the extent that: (1) the condition requiring closed cycle operation until appropriate regulatory approval is obtained has been clarified, and (2) the modification concerning the dollar value of electricity made by the ASLB to the cost-benefit analysis has been vacated. As required by § A.11 of Appendix D, a copy of the decision which modifies the Final Environmental Statement has been transmitted to the Council on Environmental Quality and has been made available to the public as noted herein.

Pursuant to the above mentioned decision, the Commission has issued Amendment No. 6 to Facility Operating License DPR-28 to Vermont Yankee Nuclear Power Corporation, for operation of a pressurized water nuclear reactor known as the Vermont Yankee Nuclear Power Station, at steady state reactor core power levels not to exceed 1593 megawatts thermal, in accordance with the provisions of the license and the Technical Specifications.

The Commission has made appropriate findings as required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations in 10 CFR Chapter 1, which are set forth in the license. The application for the license complies with the standards and requirements of the Act and the Commission's rules and regulations.

The amended license is effective as of its date of issuance and shall expire on December 11, 2007.

Single copies of the decision by the Atomic Safety and Licensing Appeal Board, the initial decision by the Atomic Safety and Licensing Board, the license and Amendment No. 6, the Final Environmental Statement, and the Safety Evaluation may be obtained upon request addressed to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing, Regulation.

Dated at Bethesda, Maryland this 4th day of April 1974.

For the Atomic Energy Commission.

GEORGE W. KNIGHTON,
Chief, Environmental Projects Branch No. 1, Directorate of Licensing.

[FR Doc.74-8260 Filed 4-10-74;8:45 am]

CIVIL AERONAUTICS BOARD

[Docket No. 22859]

EASTERN AIR LINES, INC.

Domestic Air Freight Rate Investigation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 8th day of April 1974.

By tariff revisions posted March 7, 1974, and marked to become effective April 21, 1974, Eastern Air Lines, Inc. (Eastern) proposes to increase its domestic air freight rates as follows:

1. Bulk minimum charges from $10 to $12;
2. Non-directional and westbound general commodity bulk and container rates by 7.5 percent, with no increases in westbound markets exceeding 1,800 miles;
3. Eastbound directional general commodity bulk and container rates by 10 percent, for all distances, but not to exceed the applicable rates in the opposite direction of the same market;
4. Westbound specific commodity rates by 7.5 percent for all distances, but not to exceed the applicable general commodity rates in the same direction of the same market;
5. Eastbound directional specific commodity bulk rates by 10 percent for all distances, but not to exceed the applicable general commodity rates in the same direction of the same markets;
6. Specific commodity container rates by 10 percent;
7. Import general commodity rates by 7.5 percent;
8. Dimensional cube rule for bulk traffic from 6.9 (6.5 for flowers) to 8.9 pounds per cubic foot; and
9. Cancel numerous specific commodity rates.

In support of its proposal, Eastern contends, inter alia, that these rate increases are cost justified, are necessary to offset recent cost escalations, particularly in fuel, and will aid in alleviating the severe losses that have been sustained. The carrier further claims that the expense increases reflect only fuel costs contracted through February 1, 1974, and the rate increases requested are less than the increases in fuel costs alone.

For the 12 months ended September 30, 1973, Eastern states that it incurred an operating loss of $6.5 million from its freight operations resulting in a negative return on investment of 5.5 percent. The carrier estimates that the instant proposal will generate $4.0 million additional annual revenue. However, because of spiraling increases in operating costs, Eastern claims that even with the proposed rate increase in effect, it will still incur an operating loss of $7.8 million from its freight operations. Hence, the carrier contends, the increases sought will serve only to aid in partially alleviating an already deteriorated situation.

The proposed rates and charges come within the scope of the "Domestic Air Freight Rate Investigation," Docket 22859, and their lawfulness will be determined in that proceeding. The issue now before the Board is whether to suspend the proposal or to permit it to become effective pending investigation.

Eastern has made a showing of increased costs. The Board has been aware of the sharp fuel price increases in recent months and believes that some adjustment in rates and charges is warranted to help offset these increased costs.

The carrier has, however, made no showing that the rates proposed for the several types of traffic are in line with costs in various markets. The rates indicated in Appendix A [1] appear excessive in relation to costs as indicated by data available to the Board.

In view of the foregoing and upon consideration of all other relevant factors, the Board finds that the proposal to the extent it applies to rates and charges indicated in Appendix A, should be suspended.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 1002 thereof,

It is ordered, That: 1. Pending hearing and decision by the Board, the increased rates, charges, and provisions described in Appendix A hereto are suspended and their use deferred to and including July 19, 1974, unless otherwise ordered by the Board and that no change be made therein during the period of suspension except by order or special permission of the Board; and

[1] Filed as part of the original document.

2. Copies of this order shall be filed with the tariffs and served upon Eastern Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board:

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.74-8340 Filed 4-10-74;8:45 am]

[Docket 25513 Agreement CAB 24292, Order 74-4-46]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Passenger Fare Matters

APRIL 8, 1974.

Issued under delegated authority.

An agreement has been filed with the Board pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, between various air carriers, foreign air carriers and other carriers, embodied in the resolutions of the Traffic Conferences of the International Air Transport Association (IATA). The agreement, which was adopted by mail vote, has been assigned the above designated C.A.B. agreement number.

This agreement provides revised addons for French Provincial points to reflect the recent 16 percent increase to French domestic fares. We are approving the agreement to the extent that it involves normal first class and economy fares, which are combinable with fares to/from United States points and thus have indirect application in air transportation as defined by the Act.

Pursuant to authority duly delegated by the Board in the Board's Regulations, 14 CFR 385.14, it is not found that the following resolutions which are incorporated in Agreement C.A.B. 24292, are adverse to the public interest or in violation of the Act:

200(Mail 203)005zz
JT12(Mail 839)005zz
JT23(Mail 332)005zz
JT123(Mail 725)005zz

Accordingly, it is ordered, That:

Agreement C.A.B. 24292 be and hereby is approved.

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.74-8339 Filed 4-10-74;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

NATIONAL AIR POLLUTION CONTROL TECHNIQUES ADVISORY COMMITTEE

Notice of Meeting

Pursuant to Pub. L. 92-463, notice is hereby given that a meeting of the National Air Pollution Control Techniques Advisory Committee will be held at 9:00 a.m. on May 21 and 22, 1974 at the General Services Administration Conference Room 204A, Federal Office Building, 219 South Dearborn Street, Chicago, Illinois 60604.

The purpose of the meeting will be to review draft regulations which implement portions of the Clean Air Act of 1970. Specific regulations to be discussed are: (a) Continuous Emission Monitoring Requirements under section 111, (b) Modifications (section 111), (c) General Clarifying Amendments to Hazardous Air Pollutant Regulations (section 112), (d) Expanded Coverage of Hazardous Air Pollutant Regulations (section 112), and (e) Regulations Implementing section 111(d).

The meeting will be open to the public. Anyone wishing to attend or to submit a paper should contact Mr. Don R. Goodwin, Director, Emission Standards and Engineering Division, Environmental Protection Agency, Research Triangle Park, North Carolina 27711. The telephone number and area code are (919) 688-8146, extension 271.

ROGER STRELOW,
Acting Assistant Administrator for Air and Water Programs.

APRIL 5, 1974.

[FR Doc.74-8288 Filed 4-10-74;8:45 am]

FEDERAL COMMUNICATIONS COMMISSION

[Report No. 694]

COMMON CARRIER SERVICES INFORMATION [1]

Domestic Public Radio Services

Applications Accepted for Filing [2]

APRIL 1, 1974.

Pursuant to §§ 1.227(b)(3) and 21.30 (b) of the Commission's rules, an application, in order to be considered with any domestic public radio services application appearing on the list below, must be substantially complete and tendered for filing by whichever date is earlier: (a) The close of business 1 business day preceding the day on which the Commission takes action on the previously filed application; or (b) within 60 days after the date of the public notice listing the first prior filed application (with which subsequent applications are in conflict) as having been accepted for filing. An application which is subsequently amended by a major change will be considered to be a newly filed application. It is to be noted that the cutoff dates are set forth in the alternative—applications will be entitled to consideration with those listed below if filed by the end of the 60-day period, only if the Commission has not acted upon the application by that time pursuant to the first alternative earlier date. The mutual exclusivity rights of a new application are governed by the earliest action with respect to any one of the earlier filed conflicting applications.

The attention of any party in interest desiring to file pleadings pursuant to section 309 of the Communications Act of 1934, as amended, concerning any domestic public radio services application accepted for filing, is directed to § 21.27 of the Commission's rules for provisions governing the time for filing and other requirements relating to such pleadings.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] VINCENT J. MULLINS,
Secretary.

APPLICATIONS ACCEPTED FOR FILING

Domestic Public Land Mobile Radio Service:

21114-C2-P-(9)-74, The Ohio Bell Telephone Company (KFJ891). C.P. to change frequency from 35.58 MHz to 152.84 MHz to operate at all locations; change antennas and transmitters at Locs. 2, 4, 5, & 6; delete transmitters at Locs. 1 and 3; and add transmitters at Locs. 1, 3, 7, 8, & 9. Loc. #1: Columbus Tool Center, 111 North 4th Street, Columbus, Ohio; Loc. #2: Reynoldsburg (866) Office, 1126 McNaughton Rd., Columbus, Ohio; Loc. #3: Alton ESS (878) Office, 66 Norton Rd., New Rome, Ohio; Loc. #4: Lockbourne (491) Office, 1200 Rathmell Rd., Columbus, Ohio; Loc. #5: Gahanna (471) Office, 2580 McCutcheon Rd., Columbus, Ohio; Loc. #6: Columbus (451) Office, 4646 Reed Road, Columbus, Ohio; Loc. #7: Dublin ESS (889) Office, 4270 Tuller Rd., Dublin, Ohio; Loc. #8: Westerville (822) Office, 6603 North 3C Highway, Westerville, Ohio; and Loc. #9: Grove City (875) Office, 4011 Haughn Rd., Grove City, Ohio.

21115-C2-P-74, Burlington, Brighton & Wheatland Telephone Company (KUO636). C.P. to change antenna system and location operating on 158.10 MHz to be located at McHenry Street, 1.73 miles South of Burlington, Wisconsin.

21116-C2-P-74, Anser-Quick Enterprises, Inc. (KUC900). C.P. for additional facilities to operate on 152.18 MHz located at 704 Bridges Street, Morehead City, North Carolina.

21117-C2-P-74, Houser Communications, Inc. (KQZ704). C.P. to add standby facilities operating on 152.24 MHz located at 410 Main Street, Peoria, Illinois.

21118-C2-P-(2)-74, Lois' Telephone Answering & Dispatching Service (New). C.P. for a new 2-way station to operate on 454.150 and 454.200 MHz to be located 2.36 miles West of City Limits, .4 mile S. of Hwy. 84, Laurel, Mississippi.

[1] All applications listed below are subject to further consideration and review and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

[2] The above alternative cutoff rules apply to those applications listed below as having been accepted in Domestic Public Land Mobile Radio, Rural Radio, Point-to-Point Microwave Radio, and Local Television Transmission Services (part 21 of the rules).

21119–C2–AL–74, AAA Anserphone, Inc.—Jackson. Consent to Assignment of License from AAA Anserphone, Inc.—Jackson, ASSIGNOR, to Radio Telephone of Mississippi, Inc., ASSIGNEE. Station KUO-627, Grenada, Mississippi.

21120–C2–P–74, James T. Waggoner d/b as Tri Cities Paging Co. (New). C.P. for a new 1-way station to operate on 152.24 MHz to be located at Dead end of Carlysle Street West in Florence, Alabama.

21121–C2–P–74, Jackson County Broadcasting Service, Inc., d/b as Trav-Com Mobile Phones (New). C.P. for a new 1-way station to operate on 158.70 MHz to be located at Bellavista & Mountainbrook Drives, Scottsboro, Alabama.

21122–C2–P–74, Associated Communications, Inc. (KCI309). C.P. to add antenna location #2 operating on 454.100 MHz located at Video Lane, Booth Hill, Trumbull, Connecticut.

21123–C2–P–(3)–74, Anserphone, Inc. (KQK-587). C.P. for additional facilities to operate on 454.075, 454.125 and 454.325 MHz to be located at Loys Corner, 1 mile North of Girard, Ohio.

21124–C2–P–(3)–74, South Central Bell Telephone Company (KIY592). C.P. to change frequency 152.54 MHz to 152.72 MHz; change antenna system and replace transmitters on 152.72 and 152.78 MHz and change frequencies on auxiliary test facilities from 157.80 MHz to 157.98 MHz located at 720 Frederica Street, Owensboro, Kentucky.

21126–C2–R–74, New England Telephone and Telegraph Company (Developmental) (KA-9446). Renewal of License expiring April 25, 1974. Term: April 25, 1974, to April 25, 1975.

21127–C2–P–74, Southwest Communications Corporation (New). C.P. for a new 2-way station to operate on 152.18 MHz to be located near McFadden Park, Chehalis, Washington.

21128–C2–P–(2)–74, Mobile Radio Communication Service, Inc. C.P. for additional facilities to operate on 72.34 MHz located at a new site designated as Loc. #2: 206 North Second Street, West Kelso, Washington.

21129–C2–P–(3)–74, St. Joseph Telephone and Telegraph Company (New). C.P. for a new 1-way signaling station to operate on 158.10 MHz at three locations. Loc. #1: Avenue "H" and Commerce Street, Appalachicola, Florida; Loc. #2: 502 Fifth Street, Port St. Joe, Florida; and Loc. #3: 1.5 miles West of Blountstown, Florida.

Renewal of Licenses expiring April 1, 1974. Term: April 1, 1974 to April 1, 1979.

ALABAMA

Licensee	*Call Sign*
Valley Paging	KUO612

CALIFORNIA

Secretarial Telephone Answer Service	KMD998

FLORIDA

Answerite Professional Telephone Service	KSV913
Mobile Dispatching Service	KRM963
Do	KIR204
Boca Mobilphone	KFQ941
Do	KRM962
Radio Telephone Communications, Inc	KUO563

GEORGIA

Autophone of Gainesville, Inc	KTR992
Do	KTS257
Do	KQZ797

INDIANA

Tex-Com	KRM957
Do	KSB655
Delaware Telephone Answer Service, Inc	KUO595

MARYLAND

Radio Communications, Inc	KGC598
Do	KGC583
Do	KGI277
Do	KGC587
Do	KGC594
Do	KGC230

MINNESOTA

Central Communications, Inc	KUC865
Do	KUC866
Do	KUC867
Metro Fone Communications, Inc	KRS655
Mobilfone Corp	KRS663
Do	KSV992
Radio Services	KFJ900

MISSOURI

Atlas Security Service, Inc	KFL946
Mobil Radio Communications, Inc	KUC882

NEBRASKA

Nebraska Radio Telephone Systems	KRS666
Do	KLF552
Do	KRS677
Do	KSV931

OHIO

Cincinnati Radiotelephone Systems, Inc	KLF476
Do	KQK710
Medical-Dental Bureau, Inc	KLF512

TENNESSEE

Nashville Mobilphone, Inc	KFL864
Do	KLF651
Do	KLF652
Do	KIY750

TEXAS

Forester Radiotelephone, Inc	KKG409
Do	KKO344
Hearne Mobilfone	KLB569

UTAH

Mobil Radio Telephone Service, Inc	KOA272
Do	KOE252

VIRGINIA

Paging, Inc	KTS249

WASHINGTON

Telecall	KOA793

WISCONSIN

Metro-Radiophone of Wisconsin, Inc	KSV997
Satterfield Electronics, Inc	KUC888

Informatives:

It appears that the following applications may be mutually exclusive and subject to the Commission's rules regarding ex-parte presentations by reason of potential electrical interference.

FLORIDA

732–C2–P–(3)–73, Edward C. Smith d/b as Answerite Professional Telephone Service (KIY581).

3485–C2–P–73, Radio Telephone Company of Gainesville (New).

* * * * *

TENNESSEE

8331–C2–P–(4)–73, Mahaffey Message Relay, Inc. (KDT223).

* * * * *

MISSISSIPPI

20032–C2–P–(3)–74, AAA Anserphone, Inc.—Jackson (New).

Corrections

Application File #732–C2–P–(3)–73 on PN #609 dated 8–14–72 should have indicated construction permit for additional channels to KIY581. All other particulars are to remain as reported on PN #609.

Application File # 3512–C2–P–(2)–73 on PN #623 dated 11–20–72 should have been listed as a major amendment to 732–C2–P–(3)–73. All other particulars are to remain as reported on PN #623.

Application File #3820–C2–P–(2)–73 on PN #625 dated 12–4–72 should have been listed as a major amendment to 732–C2–P–(3)–73. All other particulars are to remain as reported on PN #625.

Renewal of Licenses expiring April 1, 1974, on PN #691 dated March 11, 1974. Under Kansas Two-Way Radio Communications of Kansas KLF509 should have been listed under Oklahoma.

20035–C2–P–74 Cincinnati Radio Telephone System, Inc. (New). Correct PN #658 dated 7–23–73 to read C.P. for a new 2-way station to operate on 152.09 MHz at 4164 Halfacre Road, Afton, Ohio.

Point to Point Microwave Radio Service: (Major Amendments)

2626–C1–P–74, KHC Microwave Corporation (New), New Orleans, Louisiana. Lat. 29°–59'13" N., Long. 90°06'16" W. Application amended to change freq. to 6019.3H MHz towards Dufresne, Louisiana, on azimuth 261°15'.

2628–C1–P–74, Same (New), Vacherie, Louisiana. Lat. 30°00'49" N., Long. 90°42'40" W. Application amended to change freqs. to 6137.9V MHz towards Dufresne, Louisiana, on azimuth 103°55'; and freq. 6034.2H towards Donaldsonville, Louisiana, on azimuth 289°11'.

1923–C1–P–74, American Satellite Corporation (New), Nuevo, California. Change coordinates to Lat. 33°47'43" N., Long. 117°–05'12" W. Change freq. from 11645H to 11645V MHz. Delete all other frequencies and change point of communications to: Elsinore Peak, California, via passive reflector located at Lat. 33°49'10" N., Long. 117°03'50" W. on azimuth 38°12'. All other particulars the same as reported in Public Notice dated December 3, 1973.

5284–C1–P–71, American Satellite Corporation (Formally Fairchild Hiller Corporation). (New), should read: C.P. for a new station 2 miles NW. of Vernon, New Jersey. Lat. 41°13'24" N., Long. 74°30'03" W. Frequencies 11425V and 11665 MHz on azimuth 81°53' towards Bellvale, New York.

5285–C1–P–71, Same (New), should read: C.P. for a new station at Bellvale 1.2 miles North of Greenwood Lake (Orange), New York. Lat. 41°14'46" N., Long. 74°17'11" W. Freq. 10815V and 11135V on azimuth 262°01' towards Vernon, New York, and freqs. 10715V and 11035V on azimuth 40°–23' towards Mountain Lodge, New York. Delete all other particulars reported in Public Notice dated April 12, 1971.

Corrections:

1109–C1–P–74, United Video, Inc. (New), Bloomington, Illinois. Correct: Coordinates to read Lat. 40°28'22" N., Long. 89°03'20"

W. (All other particulars same as reported on Public Notice #692 dated 3/18/74).

3480–C1–TC–(11)–74, Tower Communications Systems Corporation. Correct to read: Consent to Transfer of Control from Tower Communications, Inc.; TRANSFEROR (All other particulars same as reported on Public Notice #693 dated 3/25/74).

American Telephone and Telegraph Company (KEE55). Correct: File number to read: 3513–C1–P/ML–74; C.P. and Mod of License (all other particulars same as reported on Public Notice #693 dated 3/25/74).

Consent to Assignment of Radio Station Construction Permit and Assignment of Radio Station Licenses from N-TRIPLE-C INC., ASSIGNOR to MCI Mid-Continent, Inc., ASSIGNEE for Stations: WOH23-Minneapolis, Minnesota; WOH24-Chaska, Minnesota; WOH25-LeSueur, Minnesota; WOH26-Mankato, Minnesota; WOH27-Winnebago, Minnesota; WOH28-Sherburn, Minnesota; WOH29-Spirit Lake, Iowa; WOH30-Worthington, Minnesota; WOH31-Luverne, Minnesota; WOH32-Sioux Falls, South Dakota; WOH33-Beresford, South Dakota; WOH34-Vermillion, South Dakota; WOH35-Sioux City, Iowa; WPF87-Decatur, Nebraska; WOH42-Gretna, Nebraska; WPF88-Magnolia, Iowa; WOH43-Omaha, Nebraska; WOH45-Lewis, Iowa; WOH46-Casey, Iowa; WOH47-Adel, Iowa; WOH48-Altoona, Iowa; WOH44-Bentley, Iowa; WOH49-Reasoner, Iowa; WOH50-Malcolm, Iowa; WOH51-Williamsburg, Iowa; WOH-52-Iowa City, Iowa; WOH53-Muscatine, Iowa; WOH54-Davenport, Iowa; WOH55-Clinton, Iowa; WOH56-Sterling, Illinois; WOH57-Oregon, Illinois; WOH58-Dekalb, Ill.; WOH61-Chicago, Illinois; WOH63-Lincoln, Nebraska; WOH60-Glendale, Illinois; WOH59-Lily Lake Illinois; WOH62-Greenwood, Nebraska; WOH64-Seward, Nebraska; WOH65-York, Nebraska; WOH66-Aurora, Nebraska; WOH67-Hastings, Nebraska; WOH68-Minden, Nebraska; WOH69-Holdrege, Nebraska; WOH70-Johnson Lake, Nebraska; WOH71-Gothenburg, Nebraska; WOH72-Ft. McPherson, Nebraska; WOH73-Wellfleet, Nebraska; WOH74-Sutherland, Nebraska; WOH75-Ogallala, Nebraska; WOH76-Brule, Nebraska; WOH77-Lodgepole, Nebraska; WOH78-Gurley, Nebraska; WOH79-Dayton, Nebraska; WOH80-Big Horn, Nebraska; WOH81-Scottsbluff, Nebraska; WOH82-Avoca, Nebraska; WOH83-Peru, Nebraska; WOH84-Falls City, Nebraska; WOH85-Troy, Kansas; WOH86-Dearborn, Missouri; WOH87-Kansas City, Missouri; WOH88-Hillsdale, Kansas; WOH-89-Pleasanton, Kansas; WOH90-Fort Scott, Kansas; WOH91-Lamar, Missouri; WOH92-Everton, Missouri; WOH93-Springfield, Missouri; WOH94-Marshfield, Missouri; WOH-95-St. George, Missouri; WOH96-Ft. Leonard Wood, Missouri; WOH97-St. James, Missouri; WOH98-Owensville, Missouri; WOH99-Washington, Missouri; WOI20-St. Charles, Missouri; WOI21-St. Louis, Missouri; WJL61-Mountain Grove, Missouri; WJL62-West Plains, Missouri; WLJ-Imboden, Arkansas; WLJ61-Jonesboro, Arkansas; WLJ63-Lepanto, Arkansas; WLJ64-Memphis, Tennessee; WLJ80-Cockrum, Mississippi; WLJ81-Waterford, Mississippi; WLJ82-Keel, Mississippi; WLJ83-Wallfield, Mississippi; WPF52-Tupelo, Mississippi; WPF51-Tilden, Mississippi; WPF27-Sullligent, Alabama; WPF26-Winifield, Alabama; WPF25-Oakman, Alabama; WPF24-Hopkins, Alabama; WPX94-Signal Mountain, Alabama; WPX95-Talladega, Alabama; WPX96-Heflin, Alabama; WPX97-Buchanan, Georgia; WPF23-Douglasville, Georgia; WPF22-Atlanta, Georgia; WOI22-Joplin, Missouri; WOI23-Miami, Oklahoma; WOI24-Vinita, Oklahoma; WOI25-Claremore, Oklahoma; WOI26-Sand Springs, Oklahoma; WOI27-Bristow, Oklahoma; WOI28-Cushing, Oklahoma; WOI29-Luther, Oklahoma; WOI30-Oklahoma City, Oklahoma; WOI31-Blanchard, Oklahoma; WOI32-Pauls Valley, Oklahoma; WOI33-Sulphur, Oklahoma; WOI34-Ardmore, Oklahoma; WOI35-Gainesville, Texas; WOI36-Aubrey, Texas; WOI37-Dallas, Texas; WOI-38-Alvarado, Texas; WOI39-Hillsboro, Texas; WOI40-Waco, Texas; WOI41-Temple, Texas; WOI42-Theon, Texas; WOI43-Austin, Texas; WOI44-Bastrop, Texas; WOI45-LaGrange, Texas; WOI46-Cat Springs, Texas; WOI47-Katy, Texas; WOI48-Houston, Texas; WOI49-San Marcos, Texas; WOI51-San Antonio, Texas; WOI50-New Braunfels, Texas; WJL68-Thayer, Missouri.

3564–C1–P–74, American Satellite Corporation (New), Elsinore Peak, 4.5 miles South of Elsinore, California. Lat. 33°36'09" N., Long. 117°20'33" W. C.P. for a new station on freq. 10775V MHz towards Nuevo, California, via passive reflector at Lat. 33°47'-43" N., Long. 117°05'12" W. on azimuth 46°54'.

3565–C1–P–74, Same (New), Mountain Lodge, approx. 1.5 miles Southeast of Mountain Lodge, New York. Lat. 41°22'41" N., Long. 74°08'11" W. C.P. for a new station on freqs. 11685V and 11365V MHz towards Bellvale, New Jersey on azimuth 220°29'.

3566–C1–P–74, Same (New), 418 Duncan Street, Jersey City, New Jersey. Lat. 40°43'58" N., Long. 74°05'13" W. C.P. for a new station on freqs. 10995V and 11155V MHz towards New York City, New York, on azimuth 111°16'.

3567–C1–P–74, Same (New), Liberty Street, New York, New York. Lat. 40°42'40" N., Long. 74°00'49" W. C.P. for a new station on freqs. 11685V and 11605H MHz towards Jersey City, New Jersey, on azimuth 291°19'.

3429–C1–P–74, The Pacific Telephone and Telegraph Company (KMA37), Oat Mountain, 5.5 miles SW of Newhall (Los Angeles) California. Lat. 34°19'47" N., Long. 118°36'00" W. C.P. to change polarization from Horizontal to Vertical on freqs. 11305, 11465, and 11625 MHz; replace Western Electric, TJ transmitters with Western Electric, TN–1 transmitters on freqs. 11305, 11385, 11545, and 11625 MHz; replace Western Electric, TL transmitters with Western Electric, TN–1 transmitters on freq. 11225 and 11465 MHz towards Los Angelss, California, on azimuth 133°55'; replace Western Electric, TL–2 transmitters with Western Electric, TN–1 transmitters on freqs. 11245, 11325, 11405, 11485, 11565, and 11645 MHz towards Sherman Oaks, California, on azimuth 145°56'.

3430–C1–P–74, Same (KMA38), 434 South Grand Avenue, Los Angeles, California. Lat. 34°03'02" N., Long. 118°15'08" W. C.P. to change polarization from Horizontal to Vertical on freqs. 10735, 10895, and 11055 MHz; replace Western Electric, TJ and Western Electric, TL transmitters with Western Electric, TN–1 transmitters on freqs. 10735, 10815, 10895, 10975, 11055 snf 11135 MHz towards Oat Mountain, California on azimuth 314°06'.

3431–C1–P–74, Same (KMQ30), 14800 Ventura Boulevard, Sherman Oaks, (Los Angeles) California. Lat. 34°09'06" N., Long. 118°27'19" W. C.P. to replace Western Electric, TL–2 transmitters with Western Electric, TN–1 transmitters on freqs. 10715, 10795, 10875, 10955, 11035, and 11115 MHz towards Oat Mountain, California on azimuth 326°01'.

3556–C1–P–74, Tidewater Telephone Company (KIK23), Telephone Building 8 Main Street, Warsaw (Richmond) Virginia. Lat. 37°57'35" N., Long. 76°45'25" W. C.P. to replace transmitters on freqs. 6219.5V and 6397.4V MHz towards Cooks Corner, Virginia on azimuth 157°17'.

3557–C1–P–74, Same (KIY33), Cooks Corner, 1.7 miles East of Saluda (Middlesex) Virginia. Lat. 37°36'03" N., Long. 76°34'00" W. C.P. to replace transmitters and change power on freqs. 5967.4V and 6145.3V MHz towards Warsaw, Virginia on azimuth 337°24'.

3558–C1–P/L–74, Western Tele-Communications, Inc. (WJM38), Request for Temporary, Fixed Developmental License in 39.3 to 39.5 GHz Band. Southern California Area of Operation. Special Temporary Authority granted for period December 7, 1973 through February 4, 1974.

3559–C1–P–74, Southern Bell Telephone and Telegraph Company (KIU56), 45 North Magnolia Street, Orlando (Orange) Florida. Lat. 28°32'34" N., Long. 81°22'38" W. C.P. to replace transmitters on freq. 6315.9V MHz towards WESH–TV, Winter Park, Florida, on azimuth 7°58'.

3560–C1–P–74, Illinois Consolidated Telephone Company (KZI67), 612 South 12th Street, Mattoon, (Coles) Illinois. Lat. 39°28'35" N., Long. 88°22'06" W. C.P. to change antenna system and replace transmitters on freqs. 6093.5H and 11115H MHz towards Tuscola, Illinois on azimuth 9°46'.

3561–C1–AP–(23)–74, Video Microwave, Inc. Consent to Assignment of Radio Station Construction Permit from Video Microwave, Inc.—ASSIGNOR, to Southern Pacific Communications Company ASSIGNEE for stations: WLJ76, Woburn, Massachusetts; WLJ84, Warner Hill, New Hampshire; WLJ85, Agamenticus, Maine; WLJ86, Beacon Pole Hill, Rhode Island; WLJ87, Tiverton, Rhode Island; WLJ88, Charlton, Massachusetts; WLJ89, Blandford, Massachusetts; WOE21, Berlin Mountain, New York; WOE 23, Talcott Mountain, Avon, Connecticut; WOE25, Prospect, Connecticut; WOE26, Booth Hill, Connecticut; WOE 27, Empire State Bldg., New York; WOE28, 57 West 56th Street, New York; WOE29, 30 Rockefeller Plaza, New York, New York; WOE30, 524 West 57th Street, New York, New York; KR2386, Portable; WSL 25, Greensboro, North Carolina; WSL26, Nantes Mountain, North Carolina; WSL27, Poor Mountain, North Carolina; WSL28, Potts Mountain, North Carolina; WSL29, Keeney Knob, West Virginia; WSL30, Gauley Mountain, West Virginia; WSL31, Charleston, West Virginia;

[FR Doc.74–8331 Filed 4–10–74;8:45 am]

FEDERAL ENERGY OFFICE

SUBCOMMITTEE ON LP-GAS SUPPLY AND DEMAND OF THE EMERGENCY ADVISORY COMMITTEE FOR NATURAL GAS

Notice of Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92–463, 86 Stat. 770) notice is hereby given that the Subcommittee on LP-Gas Supply and Demand of the Emergency Advisory Committee for Natural Gas will hold a meeting on Tuesday, April 16, 1974, in Room 3400, Federal Energy Office, 12th and Pennsylvania Avenue, NW., Washington, D.C. The committee was established to advise the Administrator, FEO, with direct and timely access to the technical knowledge possessed by a wide range of highly qualified independent businessmen engaged in the movement and distribution of LP-Gas

supplies. The agenda for the meeting is as follows:

1. Opening remarks by the Chairman.
2. Review and discussion of the four Task Group reports: Supply, Demand, Governmental Policy, Transportation.
3. Presentation of final subcommittee report to be presented to interested FEO officials
4. General discussion of the subcommittee report

The meeting is open to the public; however, space and facilities are limited. Further information concerning the meetings may be obtained from Lou D'Andrea, Federal Energy Office, Washington, D.C., Telephone 202/961–8559.

The Chairman of the subcommittee is empowered to conduct the meetings in a fashion that will, in his judgment, facilitate the orderly conduct of business.

Minutes of the meeting will be made available for public inspection at the Federal Energy Office, 12th and Pennsylvania Avenue, NW., Washington, D.C.

Issued in Washington, D.C., on April 9, 1974.

WILLIAM N. WALKER,
General Counsel.

[FR Doc.74–8518 Filed 4–10–74;10:58 am]

FEDERAL MARITIME COMMISSION

[Independent Ocean Freight Forwarder License No. 1459]

AIR CARGO EXPEDITERS, INC. AND ACE SHIPPING CORP.

Notice of Reinstatement of License

By Federal Maritime Commission Order dated March 22, 1974, Air Cargo Expediters, Inc. d/b/a ACE Shipping Corp.'s Independent Ocean Freight Forwarder License No. 1459 was revoked effective March 9, 1974, for failure to maintain a valid surety bond on file with the Commission. The Order of Revocation was published on March 28, 1974, in 39 FR 11465.

On March 27, 1974, an appropriate surety bond was filed on behalf of Air Cargo Expediters, Inc. d/b/a ACE Shipping Corp., and compliance pursuant to section 44, Shipping Act, 1916, and § 510.9, of General Order 4 has therefore been achieved.

Therefore, by virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 1 (revised) § 7.04 (a) (dated 9/15/73), Independent Ocean Freight Forwarder License No. 1459 shall be reissued to Air Cargo Expediters, Inc., d/b/a ACE Shipping Corp., effective March 27, 1974. A copy of this Notice of Reinstatement shall be published in the FEDERAL REGISTER and served upon Air Cargo Expediters, Inc., d/b/a ACE Shipping Corp.

AARON W. REESE,
Managing Director.

[FR Doc.74–8336 Filed 4–10–74;8:45 am]

FEDERAL POWER COMMISSION

[Docket No. R–427]

CONNECTICUT LIGHT AND POWER CO.

Order Establishing Hearing Procedures

APRIL 4, 1974.

On January 10, 1973, Cities of Groton, et al. v. F.P.C., CA No. 56–73, was initiated in the U.S. District Court for the District of Columbia. Plaintiffs in these proceedings were the City of Groton, Borough of Jewett City, Second and Third Taxing Districts of the City of Norwalk, City of Norwich, Town of Wallingford, and the Connecticut Municipal Electric and Gas Association (Cities).

In the District Court, Cities attacked FPC Order No. 437A–12 wherein the Commission, acting pursuant to Price Commission regulations, had certified Connecticut Light and Power Company's (CL&P) fuel adjustment clause as consistent with the Economic Stabilization Act. Plaintiffs alleged that Order No. 437A–12 was not authorized under the Economic Stabilization Act or the Federal Power Act and that the Price Commission's ruling of November 28, 1972,[1] was contrary to applicable regulations governing the period in question to the extent that it approved Order No. 437A–12.[2] Accordingly, Cities refused to pay for CL&P's billings under the fuel adjustment clause for the period November 14, 1971, through October 12, 1972. CL&P intervened in the proceedings and filed a counterclaim for the sum due for the 11 month period.

Motions for summary judgment were filed by all parties and, on July 9, 1973, Judge Pratt granted summary judgment in favor of CL&P and the Federal Power Commission holding that:

> Order 437A–12 was issued by the FPC in accordance with the authority delegated by the Price Commission to the FPC under the Economic Stabilization Act and was not in violation of the applicable regulations of either the FPC or the Price Commission. The FPC correctly concluded therein that CL&P's fuel adjustment clause was consistent with the purposes of the Economic Stabilization Act of 1970 as amended, and that therefore CL&P could make the clause operational again, effective 12:01 a.m. November 14, 1971. Both the procedure followed by the Commission and the result obtained thereby were consistent with Phase II of the Economic Stabilization Program.
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> * * * * *
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> In view of the foregoing, CL&P is entitled to collect the increased rates from plaintiffs in accordance with its fuel adjustment clause, effective 12:01 a.m., November 14, 1971. This result will permit CL&P to be reimbursed for additional fuel costs actually incurred * * * between November 14, 1971, and October 12, 1972.
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> * * * * *
>
> Judgment on CL&P's Counterclaim should be held in abeyance pending the determination, by stipulation or trial, of the additional amounts owing by plaintiffs [Cities] in accordance with the fuel adjustment clause for electricity delivered to them between November 14, 1971 and October 12, 1972.

The Court also held that the Price Commission, in light of § 300.308(e) of its regulations was not required to review the merits of Order No. 437A–12.

The Cities appealed Judge Pratt's decision to the Temporary Emergency Court of Appeals (TECA) of the United States on July 20, 1973. The appellate court issued its decision October 30, 1973, in City of Groton v. F.P.C., 487 F. 2d 927 (Em. App. 1973), holding (487 F. 2d at 934, 935):

> * * * that the Power Commission was correct in finding, assuming that a finding was necessary, that CL&P's fuel clause was not changed and was at all times in conformance with § 35.14 of the Power Commission's regulations. We agree with the trial court's finding that the Power Commission was correct in concluding, in Order 437A–12 that CL&P's clause was consistent with the Economic Stabilization Act.

During the appeal to TECA, the District Court proceedings continued with Cities filing a "Claim for Recoupment" alleging that "* * * The fuel adjustment clause from its inception in a contract entered into between the Cities individually and CL&P in July of 1963 and made effective by the Federal Power Commission as of August 31, 1964, has discriminated against the Cities by use of an improperly calculated efficiency factor * * *" and that CL&P, therefore, owed Cities the difference between the use of the adjusted loss factor and the old loss factor for the period January 1968, to November 14, 1971. Cities also alleged that CL&P improperly billed Cities under its fuel adjustment clause for changes in the cost of nuclear fuel from the period January to May, 1971; that Cities improperly billed and continues to improperly bill the Cities for fuel adjustment of peaking units which are, in fact, peak shaving units;" and that CL&P has improperly billed and continues to improperly bill Cities for fuel adjustment on energy generated on request under emergency conditions which displaced other energy into Cities' systems.

The Commission has consistently maintained that in issuing Order No. 437A–5 and 437A–12, it was acting under the Economic Stabilization Act and not under the Federal Power Act. The Commission, however, filed a motion to refer the above proceedings to the FPC for initial determination arguing that the Cities in their claim for recoupment had

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[1] On November 28, 1972, the Price Commission ruled that it was not required to review the FPC's certification of the fuel adjustment clause.

[2] Review of Order 437A–12 was commenced in District Court pursuant to section 211(a) of the Economic Stabilization Act which specifically gives the District Courts of the United States "exclusive original jurisdiction" of cases or controversies arising under this title or under regulations or orders issued thereunder. Appeal from District Court decisions is to the Temporary Emergency Court of Appeals pursuant to section 211(b) of the Economic Stabilization Act (12 U.S.C. 1904 (Supp. 1971)).

raised issues which were within the primary jurisdiction of the FPC and should be interpreted by the Commission before being acted upon by the District Court. On September 21, 1973, the District Court issued an order granting the FPC's motion stating that:

> * * * it appearing that the only issues remaining concern the extent of plaintiffs Claim for Recoupment as an offset against defendant Connecticut Light and Power Company's counterclaim for fuel adjustment billed but unpaid for the period November 14, 1971 to October 12, 1972 it is . . . Order that the motion of the Federal Power Commission is granted and that these proceedings shall be referred to the Commission for determination of the issues set forth above.

Accordingly, in order to comply with the mandate of the Court, we will set this matter for hearing before an Administrative Law Judge for consideration of the issues raised by Cities in their counterclaim as discussed above in order to determine whether CL&P properly billed the Cities during the periods in question under the then effective tariffs.

The Commission orders. (A) On April 29, 1974, Cities shall file testimony and exhibits to support its allegations that it was improperly billed during the periods in question under the then effective tariff provisions. CL&P shall file its rebuttal testimony and exhibits on May 24, 1974.

(B) A hearing in this matter shall be held on June 6, 1974, commencing at 10 a.m. e.d.t. in a hearing room of the Federal Power Commission, 825 North Capitol Street, NE., Washington, D.C.

(C) A Presiding Administrative Law Judge, to be designated by the Chief Administrative Law Judge for that purpose, shall preside at the hearing initiated by this order, and shall conduct such hearing in accordance with the Federal Power Act, the Commission's rules and regulations, and the terms of this order.

By the commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8262 Filed 4-10-74;8:45 am]

[Docket No. CI74-491]

MARATHON OIL CO.

Notice of Application; Correction

APRIL 4, 1974.

In the notice of application, issued March 15, 1974 and published in the FEDERAL REGISTER March 22, 1974, 39 FR 10939, Page 10939, Paragraph 1, line 12, please change "Kansas" to "Oklahoma". Page 10939, Paragraph 2, line 12, change "15.025" to "14.65".

KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8263 Filed 4-10-74;8:45 am]

[Docket No. RP73-110]

NATURAL GAS PIPE LINE CO. OF AMERICA

Order Permitting Late Intervention

APRIL 4, 1974.

On March 5, 1974, Hawkeye Chemical Company (Hawkeye) filed an untimely petition to intervene in the above-captioned proceeding.

In its petition, Hawkeye states that it utilizes natural gas as a feedstock in the manufacture of fertilizers and obtains its entire supply of natural gas from Interstate Power Company, who, in turn, obtains its entire supply of natural gas from Natural Gas Pipe Line Company of America (Natural). Furthermore, Hawkeye states that it was not aware of these proceedings until the impact of Staff's proposed rate design upon industrial customers came to its attention. Furthermore, Hawkeye alleges that it has a substantial interest in this proceeding and intervention by Hawkeye will not delay the orderly disposition of this proceeding.

Because of the potential effect this proceeding may have on Hawkeye, we shall allow it to intervene out of time.

The Commission finds. The participation of Hawkeye may be in the public interest.

The Commission orders. (A) Hawkeye is hereby permitted to intervene in this proceeding subject to the rules and regulations of the Commission and the hearing procedures set forth in the Commission order of June 29, 1973: Provided, however, that participation of said intervenor shall be limited to matters affecting asserted rights and interests specifically set forth in its petition to intervene, and, Provided, further, the admission of such intervenor shall not be construed as recognition by the Commission that it might be aggrieved by any order or orders entered in this proceeding.

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

By the Commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8264 Filed 4-10-74;8:45 am]

[Project No. 516; Docket No. E-7791]

SOUTH CAROLINA ELECTRIC & GAS CO.

Order Ruling on Motions and Denying Rehearing

APRIL 4, 1974.

South Carolina Electric & Gas Company (SCE&G) filed a motion on January 11, 1974, requesting us to convene a prehearing conference of all parties to the hearing in Project No. 516 that we ordered September 10, 1973. The subject matter of this proceeding is fully discussed in our previous order.

SCE&G requests that the oral and written statements of position from persons other than Commission Staff, formal parties and intervenors contemplated by ordering paragraph (E)(4) of that September 10, 1973, Order be taken for the formal record at said prehearing conference, which would be held in the vicinity of the project.

We agree that a prehearing conference in this proceeding would serve a useful purpose and feel that public participation at this stage will aid us in our search for information on project utilization.

On February 14, 1974, The Committee to Save Lake Murray (Committee) filed a motion requesting us to rescind that portion of our September 10, 1973, Order which approved an easement grant to the Watergate Partnership for the purpose of constructing an effluent discharge line. Committee requests further that we take action to enjoin the discharge of effluent which is currently occurring through said line.

SCE&G filed a February 27, 1974, response to Committee's motion. SCE&G argues that the operation of ordering paragraph (A) of our September 10, 1973, order requires Watergate Partnership to have obtained a section 402 discharge permit under the Federal Water Pollution Control Act Amendments of 1972 (Amendments), (33 U.S.C. 1342), on or before July 31, 1974, and that such permit should be treated as a condition subsequent to commencing discharge.

SCE&G contends alternatively that we have no jurisdiction to change any portion of the September 10, 1973, order under section 313(b) of the Federal Power Act, as the record of this proceeding has been certified to the U.S. Court of Appeals, District of Columbia Circuit, on petition of Committee and James E. Smith for review of the September 10 and November 2, 1973, Orders in this proceeding.

On November 2, 1973, we issued an order denying rehearing to James E. Smith on that portion of our September 10, 1973, Order pertaining to the above-mentioned easements. Committee joined in James E. Smith's motion for rehearing by its October 10, 1973, petition to intervene. Now, Committee presses a collateral attack against both of these above-referenced orders.

We agree with SCE&G that Committee's February 14, 1974, motion should be denied. We received correspondence from Region IV Environmental Protection Agency (EPA) dated June 25, 1973, which certified that the contractor for the subject effluent discharge line had fulfilled all requirements for beginning to discharge tertiary treated waste water effluent under Amendments while awaiting issuance of a section 402 permit. We do not propose to look behind the above-cited Amendments and EPA's regulations. Since Committee's motion can be dismissed on this basis, we will not treat SCE&G's alternative allegation regarding our jurisdiction herein.

South Carolina Department of Parks, Recreation and Tourism (PRT), filed a March 7, 1974, motion for rehearing of our order of February 5, 1974. Therein, we denied SCE&G's motion for severance and expedition of its application filed May 16, 1973, to lease Dreher Island and grant certain easements to PRT. We said that such application was inconsistent with our order of September 10, 1973, and should be reserved for the hearing heretofore ordered in Project No. 516.

PRT's motion offers no facts which could cause us to change our position

in this matter. The questions raised by the Dreher Island application must still await the development of the required factual background for us to make an informed judgment on the utilization of Project No. 516. Therefore, we herein deny PRT's motion for rehearing of order.

The Commission finds. (1) It is appropriate and in the public interest for the purposes of the Federal Power Act and the September 10, 1973, Commission order in Project No. 516 to grant South Carolina Electric and Gas Company's January 11, 1974, motion for order setting prehearing conference.

(2) It would be inconsistent with prior Commission actions and the public interest to grant:

(a) The Committee to Save Lake Murray's February 14, 1974, motion for order rescinding easement approved by our September 10, 1973, order in Project No. 516;

(b) South Carolina Department of Parks, Recreation and Tourism's March 7, 1974, motion for rehearing of Commission order denying motion for severance and expedition of application dated February 5, 1974.

The Commission orders. (A) A prehearing conference will commence April 30, 1974, at a time and location in the vicinity of Project No. 516 to be announced by the Presiding Administrative Law Judge, who will issue appropriate local public notice. The conference will comply with the directives of 18 CFR 1.18 and any specific procedures outlined by the Presiding Administrative Law Judge.

(B) The Presiding Administrative Law Judge shall at said conference receive for the record from interested members of the public oral or written statements of position and information pertaining to both present and anticipated utilization of project lands and waters and the pending applications on file with the Commission for Project No. 516. These statements will not be considered probative evidence, and thus will be offerable without representation, not subject to oath or cross-examination. Written statements may be received into the record as if read.

(C) After the close of the prehearing conference, the parties may make motions to the Presiding Administrative Law Judge concerning a schedule for the local portion of the hearing in this proceeding we ordered September 10, 1973.

(D) The Committee to Save Lake Murray's February 14, 1974, motion for order rescinding easement is hereby denied.

(E) South Carolina Department of Parks, Recreation and Tourism's March 7, 1974, motion for rehearing of order denying motion for severance and expedition of application is hereby denied.

By the Commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8265 Filed 4-10-74;8:45 am]

[Docket No. RP74-6, et al.]

SOUTHERN NATURAL GAS CO.

Miscellaneous Proceedings

APRIL 4, 1974.

On February 6, 1974, American Hospital Association filed an untimely petition to intervene in the main body of the curtailment proceedings in Docket No. RP74-6, et al. On March 7, 1974, Atlanta Gas Light Company (Atlanta) filed a petition to intervene specially in the extraordinary relief proceeding in Docket No. RP74-71-1 which was consolidated with another extraordinary relief proceeding in Docket No. RP74-6, et al. by Commission order dated March 11, 1974. On March 7, 1974, Georgia Industrial Group (Georgia Industrial) and Brick Institute of America (Brick Institute) jointly petitioned to intervene specially in this same proceeding. Alabama Gas Corporation filed an untimely petition to intervene specially in the same matter on March 8, 1974.

On January 25, 1974, Alabama Municipal Distributors Group (Alabama Municipal) and Mississippi Chemical Corporation (MCC) filed protests and motions to reject the tariff filing of Southern Natural Gas Company (Southern) that was accepted by Commission order on February 4, 1974. A joint filing to the same effect was made by Board of Supervisors. Noxubee County, City of Macon and Delta-Macon Brick and Tile Company, Inc. (Delta-Macon) on January 25, 1974. A similar filing was untimely made by Alabama Public Service Commission (Alabama Commission) on February 1, 1974.

Alabama Municipal asserted in its filing that a curtailment plan "involuntarily" filed by a pipeline could not be placed into effect until after a full hearing and stated further that any plan in which interruptible overrun gas would be sold to some customers while other customers were curtailed below contract demand was patently unjust and unreasonable. The Natural Gas Act and our regulations promulgated thereunder contain the bases upon which we may reject tendered tariff revisions. Alabama Municipal has not made a showing for summary rejection of Southern's filing. The issue of justness and reasonableness of that filing will be determined in this proceeding through the administrative hearing process as required by the Natural Gas Act. Further, the Commission does not have the authority to reject Southern's motion to make the proposed plan effective, although the plan is subject to the actions of the federal courts, all as previously stated in our order of February 4, 1974. In any event, the issues raised by Alabama Municipal are moot. On January 28 and January 30, 1974, the Circuit Court of Appeals for the District of Columbia Circuit stayed the effectuation of Southern's proposed curtailment plan.[1] The issues raised by Alabama Municipal are involved in that court proceeding and therefore should be urged in that forum.

MCC, Delta-Macon and Alabama Commission object to the level of allocations or deliveries to specific customers or regions. Such questions are best examined and resolved during the course of administrative hearings when complete supporting and contradicting data are presented for consideration.

On February 7, 1974, Georgia Industrial and Brick Institute filed a joint motion for an order requiring an emergency tariff filing. Affixed to this motion was an appendix that sought an emergency rulemaking proceeding, interim emergency order, and expedited administrative proceedings which movants adopted into their own motion. This motion generally asserts that there is a prospect of a critical shortage of fuels and of energy of all types, that in such instant a curtailment plan such as that proposed in these proceedings which allegedly presupposes a readily available supply of alternate fuels is inappropriate, that the plan they submit which would be operable under such extreme conditions would adequately take such factors into account, that Southern should be compelled to file such a plan, and that consideration of that filing should be greatly expedited under a procedural schedule which is spelled out in some detail in the instant motion. There has been no showing that such a condition of total fuel shortages is momentarily imminent. This proposal has been considered previously by the Commission in its order of February 18, 1974, in Docket No. R-469. Therefore, such proposal may be best considered in the administrative hearing in the appropriate docket.

On January 25, 1974, MCC reiterated its request for *pendente lite* relief, which was denied in the Commission order in this docket of February 4, 1974. On March 5, 1974, MCC petitioned for rehearing of its petition for *pendente lite* relief. In that petition, MCC argued that the Commission in the above order mischaracterized its petition as one for extraordinary relief, whereas MCC sought merely to have reflected in Southern's index of requirements its contract entitlements that were contained in the initial decision of the Administrative Law Judge in Docket No. CP72-52. Southern has argued in its filings, and has not been contradicted by MCC, that MCC's requirements were established by the same methodology as were those of its other customers. If that be the case, MCC either seeks extraordinary relief, which was disposed of by the above order, or it seeks modification or rejection of Southern's proposed curtailment plan, which it must pursue through the mechanics of the administrative hearing process. In any event, no justification for *pendente lite* relief has been demonstrated.

The Commission finds. (1) The participation of those parties who have petitioned to intervene may be in the public interest, provided that the intervention of those untimely interveners will not be permitted to be a cause for the disrup-

[1] See Alabama Gas Corporation v. FPC, Case No. 74-1150.

tion of the order or expeditious treatment of these proceedings.

(2) Good cause exists to deny the motions to reject Southern's proposed tariff sheets that were accepted by Commission order of February 4, 1974 in this docket.

(3) Good cause exists to deny the motion of Georgia Industrial and Brick Institute requesting an emergency tariff filing.

(4) Good cause exists to deny the petition of MCC for *pendente lite* relief and for rehearing of that petition.

The Commission orders. (A) The above named petitioners are hereby permitted to become interveners in these proceedings subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such interveners shall be limited to matters affecting asserted rights and interests as specifically set forth in said petitions for leave to intervene; and *Provided, further,* That the participation of such interveners shall not be construed as recognition by the Commission that they might be aggrieved because of any order or orders of the Commission entered in these proceedings.

(B) The motions to reject the abovementioned proposed tariff sheets are hereby denied.

(C) The motion of Georgia Industrial and Brick Institute is hereby denied.

(D) The reiterated petition for *pendente lite* relief and the motion for rehearing of this issue by MCC are hereby denied.

By the Commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8266 Filed 4-10-74;8:45 am]

[Docket No. RP74-6, et al; Docket No. RP74-71-1]

SOUTHERN NATURAL GAS CO.

Order Consolidating Proceedings

APRIL 5, 1974.

In the matter of Southern Natural Gas Co. (Columbia Nitrogen Corp. and Nipro, Inc.) and Southern Natural Gas Co. (Amax Nickel Refining Co., Inc.)

On March 20, 1974, Amax Nickel Refining Company, Inc. (Amax) filed a petition in Docket No. RP74-71-1 seeking temporary and permanent relief from the currently operational proposed curtailment plan of Southern Natural Gas Company (Southern) filed in Docket No. RP72-74 and consolidation with the proceedings in RP74-6, *et al.* and a previous filing in Docket No. RP74-71-1 that were consolidated in a Commission order of March 11, 1974 and for which the hearing date was set in a Commission order of December 21, 1973.

The assertions of Amax remain the same as those made in the above-mentioned filing in Docket No. RP74-71-1 in which Amax sought extraordinary relief from the proposed curtailment plan of Southern filed in Docket No. RP74-6, et al. except that Amax here requests temporary relief pending final determination from Southern's currently operational curtailment plan to the extent that Amax "will be curtailed no less than 2,642 Mcf per day" which we construe to mean that Amax requests a Commission order guaranteeing that it will be served with no less than 2,642 Mcf per day.

The Commission finds. There is good cause to consolidate the above proceedings.

The Commission orders. The petition of Amax of March 20, 1974 in Docket No. RP74-71-1 is hereby consolidated with the extraordinary relief proceedings in Docket No. RP74-6, et al.

By the Commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8267 Filed 4-10-74;8:45 am]

[Project No. 459]

UNION ELECTRIC CO.

Application for Change in Land Rights

APRIL 5, 1974.

Public notice is hereby given that application was filed on January 9, 1974, under the Federal Power Act (16 U.S.C. 791a–825r) by Union Electric Company (Correspondence to: Mr. Carl H. Hendrickson, Union Electric Company, P.O. Box 149, St. Louis, Missouri 63166) for a change in land rights for Project No. 459 located on the Osage River in Benton, Camden, Henry, Miller, Morgan, and St. Clair Counties, Missouri. The land affected by the application is located only in Morgan County.

Licensee seeks Commission approval of a lease to Southwestern Bell Telephone Company permitting the installation of a buried telephone cable across an arm of the project reservoir approximately 0.5 mile upstream from the mouth of Little Gravois Creek in the NE¼ NE¼ Section 16, T 41 N, R 17 W in Morgan County, Missouri.

A copy of a Corps of Engineers permit authorizing the installation of the cable across the creek was filed with the application. The proposed lease would be subject to the license for Project No. 459.

Any person desiring to be heard or to make protest with reference to said application should on or before May 28, 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. The application is on file with the Commission and is available for public inspection.

KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8268 Filed 4-10-74;8:45 am]

[Project No. 459]

UNION ELECTRIC CO.

Order Providing for Hearing and Setting Dates

APRIL 5, 1974.

On September 29, 1972, Union Electric Company, Licensee for Osage Project No. 459, located on the Osage River in Benton, Camden, Henry, Miller, Morgan and St. Clair Counties, Missouri, filed an application for Commission approval of a lease of project lands to Dredging, Inc. d/b/a Scott's Concrete (Lessee).[1]

The executed lease, which is effective for the period September 1, 1972, through February 24, 1976,[2] permits dredging for gravel from a specified area in an arm of the project reservoir.[3] Pursuant to this lease, Lessee is removing about 20,000 cubic yards of gravel per year, or a total of approximately 70,000 cubic yards of gravel during the term of the lease. A diesel powered suction dredge is used to remove material from the submerged area of the reservoir, and the material is pumped to a nearby settling pond. The gravel is then screened out, and the settled silt is removed and used as landfill in the area.

Licensee filed its application for Commission approval of the lease under section 8 of the Federal Power Act,[4] which provides, in part, that "any successor or assign of the rights of such licensee * * * shall be subject to all the conditions of the license under which such rights are held by such licensee and also subject to all the provisions and conditions of this Act * * *" Indeed, the provisions of section 8 are reflected in the conditions of the subject lease agreement, under which "Lessee agrees that the rights and permission herein granted in any use or occupancy of the premises by Lessee * * * shall be subject, at all times, to all the terms, conditions, provisions and stipulations contained in said Federal Power Commission License for Project No. 459—Missouri," and "Lessee agrees that it will not use * * * said premises * * * in any manner or for any purpose prohibited by or in violation of any law or regulation enacted by the Government of the United States * * *"[5]

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[1] Public notice of the filing of the application was issued on June 11, 1973, with July 19, 1973, as the last day for filing of protests or petitions to intervene. An untimely letter of protest from Mr. H. Paul Friesema, Public Lands Project, Northwestern University, was filed on July 26, 1973.

[2] The 50-year license for Project No. 459 expires on February 24, 1976.

[3] The area specified in the lease includes "that part of the following described land which lies below contour elevation 665 referenced to Mean Gulf Level, Biloxi, Mississippi, U.S.G.S. Bench Mark Bagnell, Missouri Elevation 568.742: The Northwest ¼ of Section 2 and the East ½ of the Northeast ¼ of Section 3, Township 38 North, Range 18 West and that part of the Southwest ¼ of Section 35, Township 39 North, Range 18 West lying Southwest of property formerly of John M. Rains, et al."

[4] 41 Stat. 1068; (16 U.S.C. 801).

[5] Copy of the lease agreement appended as "Exhibit A" to Licensee's application requesting permission to lease a portion of project lands, filed September 29, 1972, at page 2.

These provisions of section 8 and of the lease agreement operate to bring Lessee and the subject lease agreement within the purview of section 10(a) of the Federal Power Act.* Under section 10(a), a license may only be issued on the condition that the project, in the judgment of the Commission, "will be best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, for the improvement and utilization of water-power development, and for other beneficial public uses, including recreational purposes * * *"

The concluding phrase "and for other beneficial public uses" clearly indicates that the preceding enumerated items in section 10(a) must also be considered in the light of the public interest to be served. There is a question as to whether an arrangement whereby a private business entity is permitted to extract gravel from a project reservoir for the purpose of using such gravel in the manufacture and sale of concrete is in the interest of the public in improvement or development of a waterway for the use or benefit of interstate or foreign commerce. It does not appear that such an enterprise contributes to improvement or utilization of waterpower development. The subject lease could be justified on the basis that it provides for some other beneficial public use. However, neither Licensee nor Lessee have demonstrated to the Commission the nature and extent, or even the existence, of the public interest to be served by the lease agreement.

Inasmuch as there has been no clear showing that the lease agreement between Licensee and Lessee is in the public interest, there exists a possibility that said lease agreement contravenes the provisions of the Federal Power Act and the license for Project No. 459 issued thereunder. Accordingly, it is appropriate that a public hearing be held on matters involved and issues presented with respect to Licensee's application for Commission approval of the lease of certain project lands to Dredging, Inc. d/b/a Scott's Concrete.

The Commission finds. It is appropriate and in the public interest as provided herein to hold a public hearing respecting matters involved and issues presented in this proceeding on the application by Union Electric Company for Commission approval of the lease of certain project lands to Dredging, Inc. d/b/a Scott's Concrete.

The Commission orders. (A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Federal Power Act, particularly sections 4(e), 8, 10(a), and 308 thereof, and the Commission's rules of practice and procedure, a public hearing shall be held in a hearing room of the Federal Power Commission, 825 N. Capitol St., NE., Washington, D.C. respecting the matters involved and the issues presented in this proceeding.

(B) The following procedure is prescribed for this proceeding:

1. Licensee shall file by May 15, 1974, with the Secretary of the Commission an original and ten copies of all testimony, including qualifications of the witnesses, and exhibits to be presented in Licensee's direct case. Copies of such testimony and exhibits shall be served on all participants.

2. All other participants, including the Commission Staff, shall file by June 6, 1974, with the Secretary, an original and ten copies of all direct testimony and exhibits including qualifications of witnesses with copies served on all participants.

3. All motions to strike prepared testimony and exhibits and replies to such motions shall be filed with the Administrative Law Judge by June 20, 1974, and July 10, 1974, respectively.

4. The first hearing session will convene at 10:00 a.m. on Tuesday, July 23, 1974, in a hearing room of the Federal Power Commission to be specified at a later time. Subsequent hearing sessions, as needed, shall be scheduled by the Administrative Law Judge.

5. All of the testimony, except exhibits, shall be in question and answer form.

6. No exhibits, except those of which official notice may properly be taken, shall contain narrative material other than brief explanatory notes.

7. Any party submitting more than one exhibit shall enclose a cover sheet listing the title of each exhibit in the sequence in which it is to be marked for identification.

8. The Administrative Law Judge will specify the order of cross examination and time to be permitted for preparation of rebuttal evidence.

9. The Administrative Law Judge may direct that a public hearing session in the vicinity of the project be held for the purpose of receiving statements of position from interested members of the public if he finds that it will be in the public interest. Public notice of such public hearing session should be given in the vicinity of the project prior to such hearing session.

10. If it becomes apparent that a saving of time or money may be achieved in clarifying relevant issues to be tried, the Administrative Law Judge shall hold a prehearing conference, at which, among other matters, the admission into evidence of relevant but uncontroverted facts without the necessity of presenting a sponsoring witness therefor shall be considered. If a statement of facts can be agreed upon by the parties, the Administrative Law Judge shall provide a briefing schedule and submit his initial decision to be followed by the filing of exceptions in accordance with §§ 1.29, 1.30 and 1.31 of the Commission's rules of practice and procedure.

(C) The Commission's rules of practice and procedure shall apply in this proceeding except to the extent they are modified or supplemented herein.

By the Commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8269 Filed 4-10-74;8:45 am]

[Docket No. R-389-B]

INDICATED DISPARITY IN REPORTING OFFSHORE LOUISIANA NATURAL GAS RESERVES

Notice of Meeting With American Gas Association; Correction

APRIL 9, 1974.

Take notice that the notice published in the FEDERAL REGISTER on April 9, 1974 (39 FR 12929), announcing a meeting with the staff of the American Gas Association in a Hearing Room of the Federal Power Commission, 825 North Capitol Street, NE., Washington, D.C. on Tuesday, April 16, 1974 at 10:00 a.m., e.d.t., to discuss Appendix B-1 of notice issued in Docket No. R-389-B on March 21, 1974 (39 FR 11310) entitled "Report on Indicated Disparity in Reporting Offshore Louisiana Non-Associated Natural Gas Reserves" dated March 1974, is amended.

The meeting between the staff of the Federal Power Commission and the staff of the American Gas Association will be open to the public, and will be of record.

KENNETH F. PLUMB, *Secretary.*

[FR Doc.74-8490 Filed 4-10-74;10:35 am]

FEDERAL RESERVE SYSTEM

KOREA EXCHANGE BANK

Formation of Bank Holding Company

Korea Exchange Bank, Seoul, Korea, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to become a bank holding company through acquisition of 100 percent of the voting shares (less directors' qualifying shares) of Korea Exchange Bank of California, Los Angeles, California, a proposed new bank. 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 San Francisco. 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 May 1, 1974.

Board of Governors of the Federal Reserve System, April 3, 1974.

[SEAL] THEODORE E. ALLISON, *Assistant Secretary of the Board.*

[FR Doc.74-8271 Filed 4-10-74;8:45 am]

NORTHEAST BANCORP, INC.

Merger of Bank Holding Companies

Northeast Bancorp, Inc., New Haven, Connecticut ("Northeast Bancorp"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. 1942(a)(5)) to merge with First Connecticut Bancorp, Inc., Hartford, Connecticut ("First Connecticut"), under the charter and title of Northeast Bancorp.

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)).

*41 Stat. 1068; 49 Stat. 842; (16 U.S.C. 803(a)).

Northeast Bancorp controls one bank with deposits of $603 million, representing 9.4 percent of deposits in commercial banks in the State, and is the third largest commercial banking organization in Connecticut. First Connecticut is the ninth largest commercial banking organization in the State and controls three banks with aggregate deposits of $222 million, representing 3.5 percent of deposits in commercial banks in the State.[1] Upon consummation of the proposed merger, Northeast Bancorp's share of total commercial bank deposits would increase to 12.9 percent, and Northeast Bancorp would remain in the third largest holding company in Connecticut.

The Department of Justice has commented on this proposed merger and concluded that it should be denied. The Department indicated that, in its opinion, the proposed merger would not only eliminate some existing competition, but would have an adverse effect upon potential competition because Northeast Bancorp and First Connecticut would be eliminated as potential entrants into each other's markets. In addition, the Department stated that it believed the merger to be another in a current trend in Connecticut toward mergers among the largest banks in the State with a resulting increase in concentration of total State commercial deposits.

The Board has concluded that approval of the proposed merger would not have significant adverse effects on the concentration of banking resources in Connecticut. Upon consummation, Connecticut would still have 11 commercial banking organizations with deposits over $100 million. Furthermore, any assessment of concentration in Connecticut should include some consideration of mutual savings banks. Mutual savings banks and commercial banks already compete in Connecticut for a large number of normal banking services and as of December 31, 1975, mutuals would be enabled[2] to offer limited noninterest-bearing personal checking services. In this regard it should be noted that Connecticut's mutual savings banks exceed commercial banks both in number and in total deposits. There are 61 commercial banking organizations in Connecticut with aggregate deposits of $6.4 billion and 68 mutual savings banks with aggregate deposits of $7.4 billion. Taking into consideration both commercial banks and mutual savings banks, the proposed merger would combine the fifth and sixteenth largest of such organizations and Northeast Bancrop would remain fifth among all such organizations in the State. On the basis of the foregoing, the Board concludes that the proposed merger would not have significant effects upon the Statewide banking structure in Connecticut.

With respect to competition in individual markets, Northeast Bancorp's sole subsidiary bank, Union Trust Company ("Union Trust"), is headquartered in New Haven and has 51 banking offices which are concentrated in the southwestern area of Connecticut. First Connecticut's three subsidiary banks, headquartered in Hartford, New Britain and Simsbury, respectively, operate a total of 28 offices of which 26 are in the north central portion of the State surrounding Hartford. Therefore, Northeast Bancorp and First Connecticut operate primarily in separate sections of the State and the amount of overlap in most categories of deposits and loans is minimal. There is only one area in the State in which both organizations operate; branches of the two banking organizations are located in the adjacent towns of Old Saybrook, Essex and Old Lyme. The deposits held by these offices represent a minimal portion of total deposits held by each of the organizations. The Board concludes that consummation of the proposed merger would not eliminate a significant amount of existing competition between banking subsidiaries of Northeast Bancorp and First Connecticut, nor would it have significant adverse effects on existing competition in any banking market.

While both Northeast Bancorp and First Connecticut have nonbank subsidiaries, none of the subsidiaries engage in the same activity and all such subsidiaries operate in separate market areas. The Board finds no existing competition would be eliminated between nonbanking subsidiaries of the two holding companies.

With respect to the effect of the proposal on potential competition, First Connecticut, with about 8 percent of market deposits, is the third largest banking organization in the Hartford-New Britain banking market (approximated by the combined Hartford-New Britain SMSA's). The two largest banking organizations in the market, which are also the largest organizations in the State, have a combined market share of 77.5 percent.[3] While consummation of the proposed merger would foreclose the possibility of competition between Northeast Bancorp and First Connecticut in that market, the Board believes the likelihood of future competition developing between the two banking organizations in the absence of the proposal is limited due to significant barriers to entry confronting Northeast Bancorp. Connecticut's banking law permits Statewide branching subject to home office protection, and the open towns which appear to be attractive for *de novo* entry would still not put Northeast Bancorp into the major cities in this banking market. The acquisition of an existing bank located in the market does not appear likely in view of the fact that those available either are not attractive because they would not place Northeast into the major cities or because they seem reluctant to become affiliated. The establishment of a *de novo* bank in the relevant market by Northeast Bancorp is not a likely alternative since it appears that Connecticut holding companies have been unable to commence such entry in the past. The Board concludes that consummation of the proposed merger will not have any significant adverse effects on potential competition in the Hartford-New Britain SMSA's.

The proposed merger might foreclose the possibility that First Connecticut would enter the banking markets where Northeast Bancorp operates since, as the State's ninth largest banking organization, it would appear to possess the capability of entering some of these markets. Any such entry would, however, have to be through acquisition since there are a limited number of open towns in the markets where Northeast operates which are attractive for *de novo* branching and entry into even those towns would not place First Connecticut into the principal cities in the market. Thus, there is little likelihood that First Connecticut could become an effective competitor by *de novo* branching. As stated earlier, the possibility of new bank formations appears unlikely in view of the record of Connecticut banking organizations in this regard. With respect to any individual market, the Board cannot conclude that entry of First Connecticut is likely or that if it occurred it would be through an acquisition that would be competitively preferable to the present proposal. Furthermore, it appears that in all of the markets in which Northeast presently operates there are other potential entrants. The Board therefore concludes consummation of the proposal would have no significant adverse effects in markets presently served by Northeast Bancorp.

The Board is of the opinion that any adverse effects of the proposed merger upon potential competition would be outweighed by the anticipated procompetitive effects the proposal would have in facilitating the deconcentration of the highly concentrated Hartford-New Britain banking market. The two largest banking organizations have a combined market share of 77.5 percent of commercial bank deposits in the market, while the third largest banking organization in the market, First Connecticut, controls only 8.1 percent of total market deposits. The share of deposits of the remaining 21 banks operating in the market range downward from 3.5 percent of total commercial bank deposits. The entry of Northeast Bancorp into this market by means of the proposed merger would create a third viable alternative in this highly concentrated market for those banking services currently being offered almost exclusively by the two dominant banking organizations.

[1] State banking data are as of June 30, 1973, adjusted to reflect bank holding company formations and acquisitions through October 31, 1973.

[2] Recently enacted legislation to give them this power takes effect December 31, 1975 unless before that date either of the following should occur, in which event the Act becomes effective immediately:

1. The enactment of federal legislation that authorizes the chartering of national mutual savings banks having the powers to accept personal checking accounts prior to December 31, 1975 or;

2. The elimination of the differential in interest rates which may be paid by savings banks and by State nonmember commercial banks on savings and time deposits of less than $100,000.

[3] Market data are as of June 30, 1972.

The financial conditions and managerial resources of Northeast Bancorp, First Connecticut, and their respective groups of banks are satisfactory and their prospects appear favorable. Thus, banking factors are consistent with approval of the application. Affiliation with Northeast Bancorp will enable First Connecticut's subsidiary banks to provide new and improved retail and wholesale services, involving Master Charge, self-service teller facilities, international services, new lending programs, lock box services, data processing facilities, municipal financing, and trust and advisory services, and will enable First Connecticut to become a more effective, competitive alternative in its markets. These factors lend weight toward approval.

It is the Board's judgment that the proposed transaction is in the public interest and should be approved.

In another aspect of this application, Hartford National Corporation, a bank holding company controlling the largest bank in the Hartford-New Britain banking market, has objected to the form of the instant proposal and has urged the Board to restructure the proposal by requiring a merger of certain subsidiary banks of both holding companies in order to remove the "home office protection" granted by State law to the cities of New Britain and Simsbury. The Connecticut Commissioner of Banking responded to this qualified objection by commenting that the distribution of banking offices within the State is a matter for the State legislature and not for federal regulatory agencies.

As a matter of policy, the Board has opposed "home office protection" statutes as devices to protect a favored few from the rigors of fair competition.[4] Further, where an application has presented significant adverse competitive effects, or where an Applicant has voluntarily taken steps that would result in removal of "home office protection," that removal has been considered a procompetitive consideration and a public benefit.[5] However, when, as here, the Board has concluded that an application presents net procompetitive effects, the Board has not conditioned its approval upon removal of "home office protection,"[6] and the Board will not do so in this case.

Hartford National Corporation additionally noted that the resulting proposed holding company would be comprised of "mostly" nonmember banks which would give Northeast Bancorp an "unfair operating advantage." The present proposal does not involve the withdrawal of subsidiary banks from membership by the proposed resulting bank holding company but the proposed merger of two holding companies which presently consist of largely nonmember banks. The Board believes, therefore, that Hartford National Corporation's contention has no bearing on the present application.

On the basis of the record,[7] 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 Boston pursuant to delegated authority.

By order of the Board of Governors,[8] effective April 4, 1974.[9]

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-8272 Filed 4-10-74;8:45 am]

[4] See order of January 19, 1973 approving acquisition of bank by CBT Corporation, 59 *Fed. Res. Bulletin* 111, 112 (February 1973); see Statement accompanying order of July 29, 1971 denying acquisition of bank by Midlantic Banks, Inc., 57 *Fed. Res. Bulletin* 684, 686 (August 1971); and order of February 17, 1972 approving acquisition of bank by United Jersey Banks, 58 *Fed. Res. Bulletin* 290 (March 1972).

[5] See statement accompanying order of February 7, 1972 approving acquisition of bank by Midlantic Banks, Inc., 58 *Fed. Res. Bulletin* 286, 287-288 (March 1972); statement accompanying order of April 7, 1972 approving acquisition of bank by Midlantic Banks, Inc., 58 *Fed. Res. Bulletin*, 475, 477 (May 1972); order of February 17, 1972 approving acquisition of bank by United Jersey Banks, 58 *Fed. Res. Bulletin* 296 (March 1972); and order of January 19, 1973 approving acquisition of bank by CBT Corporation, 59 *Fed. Res. Bulletin* 111, 112 (February 1973).

[6] See statement accompanying order of April 17, 1970 approving application by First Connecticut Bancorp, Inc., to become a bank holding company, 56 *Fed. Res. Bulletin* 452 (May 1970); and order of November 16, 1973 approving the application of The Connecticut BancFederation to become a bank holding company through the acquisition of banks, 59 *Fed. Res. Bulletin* 898 (December 1973).

[7] Dissenting Statement of Governors Mitchell, Brimmer and Bucher 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 Boston.

[8] Voting for this action: Chairman Burns and Governors Daane, Sheehan, and Holland. Voting against this action: Governors Mitchell, Brimmer, and Bucher.

[9] Board action was taken while Governor Daane was a Board Member.

SWEDLUND MANAGEMENT CO.

Acquisition of the Insurance Agency Business of B & W Enterprises, Inc.

Swedlund Management Co., Murray, Nebraska (which applied, pursuant to section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to become a bank holding company through acquisition of 80 percent of the voting shares of The Murray State Bank, Murray, Nebraska) has applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and section 225.4(b)(2) of the Board's regulation Y, for permission to acquire, through a 50 per cent owned subsidiary, D & L Insurance Agency, Inc., Murray, Nebraska, the insurance agency business of B & W Enterprises, Inc., Murray, Nebraska. Notice of the application was published on March 7, 1974, in The Plattsmouth Journal, a newspaper circulated in Murray, Nebraska.

Applicant states that the proposed subsidiary would engage in the following activities: acting as general insurance agent or broker with respect to all types of insurance. Such activities will be conducted at offices in Murray, Nebraska, a community that has a population of less than 5,000. 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 Kansas City.

Any views or requests for hearing should be submitted in writing and received by the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than May 1, 1974.

Board of Governors of the Federal Reserve System, April 3, 1974.

[SEAL] THEODORE E. ALLISON,
Assistant Secretary of the Board.

[FR Doc.74-8274 Filed 4-10-74;8:45 am]

SWEDLUND MANAGEMENT CO.

Formation of Bank Holding Company

Swedlund Management Co., Murray, Nebraska, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to become a bank holding company through acquisition of 80 percent of the voting shares of The Murray State Bank, Murray, Nebraska. The factors that are considered in acting on the application are set for 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 Kansas City. 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 May 1, 1974.

Board of Governors of the Federal Reserve System, April 3, 1974.

[SEAL] THEODORE E. ALLISON,
Assistant Secretary of the Board.

[FR Doc.74-8273 Filed 4-10-74;8:45 am]

GENERAL SERVICES ADMINISTRATION

AUTHORIZATION AND CONSENT IN FEDERAL CONTRACTS

Opportunity for Comment

The Office of Management and Budget (OMB), in memorandums to Heads of Executive Departments and Agencies on December 7, 1972, and on March 14, 1973, established and outlined plans for coordination of executive branch efforts in response to the Commission on Government Procurement (COGP) Report. Interagency task groups made up of assigned lead and participating agencies were formed to examine and recommend an executive branch position on each of the 149 COGP recommendations. Direction of executive branch efforts on COGP matters is a function delegated to the General Services Administration (GSA) by Executive Order 11717 on May 9, 1973.

The following is a summary of a proposal for an executive branch position on the COGP Recommendation Number 4 found in Part I of the report, drafted by the National Science Foundation (NSF) working through the Executive Subcommittee of the Committee on Government Patent Policy. Recommendation I-4 concerns amending 28 U.S.C. 1498 to make authorization and consent uniformly automatic in Federal contracts except where an agency expressly withholds its authorization and consent as to a specific patent. The proposed position is the working product of the Executive Subcommittee and does not represent the official views of GSA or any other agency of the executive branch.

The purpose of this notice is to offer an early opportunity for public comment on the proposed executive branch position for COGP Recommendation I-4. The proposal is also being considered by appropriate agencies for their official views. Interested persons should submit their comments to the General Services Administration (AMC), Washington, D.C. 20405. To be given consideration, written comments must be submitted not later than 60 days after date of this publication.

COGP Recommendation I-4. "Amend 28 U.S.C. 1498 to make authorization and consent automatic in all cases except where an agency expressly withholds its authorization and consent as to a specific patent."

TASK GROUP PROPOSAL FOR AN EXECUTIVE BRANCH POSITION ON COGP RECOMMENDATION I-4 (SUMMARY)

It was the view of the Task Group majority that the recommendation should not be adopted by the executive branch. Partial dissents from the position were registered by Task Group members and are outlined later in this Summary.

The Task Group recognized certain benefits arising from a policy of automatic authorization and consent, and benefits to the Government from a withholding provision. However, they explained that areas of uncertainty are considered to be relatively few or largely avoidable by improved administrative practices. The expected rarity by the Task Group of utilizing the withholding provision and its potential disruption to the procurement process prompted their majority vote against adoption.

The Task Group reasoned that, among other things, an automatic authorization and consent would minimize the incentive for contractors to adopt noninfringing manufacturing practices when such options are available and that the inclusion of an automatic authorization and consent in contracts could result in the loss of Government control against a contractor's use of an avoidable infringing manufacturing practice.

As for the withholding feature of the recommendation, the Task Group stated that instances of use will likely be infrequent and its use by agencies engaged in large-scale supply procurement is viewed as impractical. Another basic guideline by the Task Group for not adopting the withholding provision was that only in a few rare procurement situations would the Government be in a position to identify in advance specific patents from which it would withhold its authorization and consent.

The Task Group suggested that a review of agency authorization and consent practices be made to determine whether any existent areas of contractor uncertainties may be corrected by administrative action.

DISSENT

Two Task Group members dissented from the majority position since they believe that the executive branch should adopt that portion of the recommendation permitting withholding authorization and consent as to a specific patent. They reasoned that procurement situations may arise in which the Government's interest will be served by an agency withholding authorization and consent, and that agencies should have the discretionary authority to do so.

After careful consideration of the views of Executive Departments and Agencies and all other interested parties responding to this request for comments, an executive branch position and implementation will be formulated.

Dated at Washington, D.C., on April 4, 1974.

R. E. ZECHMAN,
Acting Associate Administrator for Federal Management Policy.

[FR Doc. 74-8275 Filed 4-10-74;8:45 am]

[Federal Property Management Reg.; Temporary Reg. G-15, Supp. 1]

REDUCTION IN MOTOR VEHICLE FUEL CONSUMPTION

Revised Policies and Procedures

1. *Purpose.* This supplement prescribes revised policies and procedures whereby the reduction of fuel consumed by Government-owned, commercially leased or rented, and privately owned vehicles authorized for use on official Government business is decreased from 20 to 15 percent.

2. *Effective date.* This supplement is effective April 11, 1974.

3. *Expiration date.* This supplement expires on December 31, 1974, unless sooner revised or superseded.

4. *Applicability.* The provisions of this regulation apply to all executive agencies. Other Federal agencies are urged to establish similar policies and procedures to ensure that maximum benefits may be realized in reducing fuel consumption by all Government-owned and operated motor vehicles and privately owned vehicles used on official Government business.

5. *Background.* Certain actions have collectively contributed to an increase in the supply of oil over that which was available at the onset of the Nation's energy crisis. Among such actions are the recent lifting of the oil embargo and the positive response by Federal agencies to fuel conservation policies. Consequently, the restriction imposed on executive agency use of motor vehicle fuel is modified as provided in this supplement.

6. *Changes.* Federal Property Management Regulations, Temporary Regulation G-15, is revised by making pen and ink changes to show "15" in lieu of "20" wherever, the latter appears in paragraphs 1, 5, 6, 7, and 10.

ARTHUR F. SAMPSON,
Administrator of General Services.

APRIL 9, 1974.

[FR Doc.74-8486 Filed 4-10-74;9:45 am]

[Federal Property Management Reg.; Temporary Reg. G-16, Supp. 1]

REDUCTION IN FUEL CONSUMED BY CERTAIN TYPES OF MOTOR VEHICLES IN THE INTERAGENCY MOTOR POOL SYSTEM

Revised Policies and Procedures

1. *Purpose.* This supplement prescribes revised policies and procedures whereby the reduction of fuel consumed by certain types of motor vehicles in the Interagency Motor Pool System is decreased from 20 to 15 percent.

2. *Effective date.* This supplement is effective April 11, 1974.

3. *Expiration date.* This supplement expires on December 31, 1974, unless sooner revised or superseded.

4. *Applicability.* The provisions of this regulation apply to all executive agencies. Other Federal agencies are encouraged to conform so that maximum benefits may be realized in reducing fuel consumption by Government-owned and Government-operated motor vehicles.

5. *Background.* Certain actions have collectively contributed to an increase in the supply of oil over that which was available at the onset of the Nation's energy crisis. Among such actions are the recent lifting of the oil embargo and the positive response by Federal agencies to fuel conservation policies. Consequently, the restriction imposed on executive agency use of motor vehicle fuel is modified as provided in this supplement.

6. *Changes.* Federal Property Management Regulations, Temporary Regulation G–16, is revised by making pen and ink changes to show "15" in lieu of "20" wherever the latter appears in paragraphs 1, 7, 8b, 9a, and 11 of the regulation and in the lead paragraph of attachment B; and ".85" in lieu of ".80" in item 2 of attachment B.

ARTHUR F. SAMPSON,
Administrator of General Services.

APRIL 9, 1974.

[FR Doc.74–8487 Filed 4–10–74;9:45 am]

OFFICE OF MANAGEMENT AND BUDGET

CLEARANCE OF REPORTS

List of Requests

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 8, 1974 (44 U.S.C. 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

Agricultural Stabilization and Conservation Service: Designation of Flue-Cured Tobacco Sales, Form ASCS 807, Annual, Foster/Lowry, flue-cured tobacco producers.

Warehouse Designation of Flue-Cured Tobacco Sales: Form ASCS 808, Occasional, Foster/Lowry, flue-cured tobacco warehouse operators.

DEPARTMENT OF COMMERCE

Bureau of Domestic Commerce: Plastic Pipe, Form DIB 970, Single time, Weiner/Raynsford, plastic pipe manufacturers.

National Oceanic and Atmospheric Administration: Regional Sport Fish Survey (Telephone Screening), Form ____, Annual, Planchon/Foster, recreational marine anglers.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Center for Disease Control: Hospital Inhalation Anesthesia Practices Survey, Form CDC 2.2 (NIOSH), Occasional, Ellett, hospitals with more than 100 beds.

Health Resources Administration: Follow-up Study to 1972 Inventory of Registered Nurses, Form ____, Single time, Caywood, Registered nurses.

Departmental: Head Start Services to Handicapped Children—On-Site Field Data Collection Instrument, Form OS 16 74, Single time, HRD/Planchon, Head Start grantees.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Equal Opportunity: Monthly Rental Report—HUD Insured Multifamily Housing, Form ____, Occasional, CVA/Sunderhauf, Developers and sponsors seeking FHA mortgage insurance.

VETERANS' ADMINISTRATION

Certification of Monument Data: Form 40–4964, Occasional, Caywood, Next of kin of deceased veteran.

REVISIONS

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

BINET Project Input Form: Form ____, Occasional, ISD/Sheftel, State bicentennial organizations.

EXTENSIONS

None.

PHILLIP D. LARSEN,
Budget and Management Officer.

[FR Doc.74–8426 Filed 4–10–74;8:45 am]

SECURITIES AND EXCHANGE COMMISSION

[812–3606]

AMERICAN TAX-EXEMPT BOND TRUST, SERIES 1 (AND SUBSEQUENT SERIES ET AL.)

Filing of Application

Notice is hereby given that American Tax-Exempt Bond Trust, Series 1 (the "Trust"), registered under the Investment Company Act of 1940 ("Act") as a unit investment trust, and its sponsor, B. C. Ziegler and Company ("Sponsor"), 215 North Main Street, West Bend, Wisconsin 53095 (collectively the "Applicants"), have filed an application pursuant to section 6(c) of the Act for an order of the Commission exempting the Trust and any subsequent series from the minimum capital provisions of section 14(a) of the Act and exempting frequency of capital gains distributions by a series and the secondary market operations of the Sponsor from the provisions of rule 19b–1 and rule 22c–1, respectively, under 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.

The exemptive order is requested for the Trust and subsequent series sponsored or co-sponsored by the Sponsor (collectively the "Series"). The Trust will be governed by a trust indenture and agreement (the "Trust Agreement") under which the Sponsor will act as such, United States Trust Company of New York will act as Trustee and Standard & Poor's Corporation will act as Evaluator. Pursuant to the Trust Agreement, the Sponsor will deposit with the Trustee $5,000,000 principal amount of bonds, including in some cases contracts and funds for the purchase of such obligations (hereinafter called the "Bonds"), which the Sponsor shall have accumulated for such purpose. Simultaneously with such deposit, the Trustee will deliver to the Sponsor for sale to the public registered certificates for 5,000 units of fractional undivided interest in the Trust (the "Units"), which will represent the entire ownership of the Trust.

The Bonds will not be pledged or in any other way subjected to any debt at any time after the Bonds are deposited with the Trustee. All of the Bonds will be tax free municipal bonds. The assets of the Trust will consist of the Bonds, such bonds as may continue to be held from time to time in exchange for or in substitution of any of the Bonds upon certain refunding, accrued and undistributed interest and undistributed cash. Certain of the Bonds may from time to time be sold under circumstances set forth in the Trust Agreement or may be redeemed or mature in accordance with their terms. The proceeds from such dispositions will be distributed to the holders of Units of the Trust ("Unitholders") and not reinvested. There is no provision in the Trust Agreement for the sale and reinvestment of the Bonds and such activity has not taken and will not take place.

The numerator of the fractional undivided interest represented by each Unit will be 1 and the denominator will be the number of Units issued and outstanding in the Trust. Units of each Series will be redeemable. In the event that any Units are redeemed, the denominator of the fraction will be reduced and the fractional undivided interest represented by each Unit increased. Units will remain outstanding until redeemed or until the termination of the Trust Agreement. There is no provision in the Trust Agreement for the issuance of any Units after the initial offering of Units (except to the extent that the secondary trading

by the Sponsor in the Units is deemed the issuance of Units under the Act) and such activity will not take place. The Sponsor will offer the Units to the public at the public offering price set forth in the prospectus, plus accrued interest.

In the opinion of counsel, the Trust is not an association taxable as a corporation under the Internal Revenue Code of 1954 (the "Code"), and interest on the Bonds which is exempt from Federal income tax under the code when received by the Trust will retain its status as tax-exempt interest when distributed to Unitholders.

"While under no obligation to do so, the Sponsor intends to maintain a market for Units of the Trust by offering to purchase such Units at prices based upon the aggregate bid prices of the underlying Bonds. Resale of such Units will be made by the Sponsor at the public offering price set forth in the prospectus.

The organization, operation and marketing of units of each subsequent Series will be substantially the same as with respect to the Trust, except that the principal amount of the bonds deposited (and therefore the number of units issued), the trustee, evaluator and the respective fees thereof, will or may vary; there may be depositors in addition to the Sponsor, and the offering may be effected solely by the Sponsor without the participation of other underwriters.

Section 14(a). Section 14(a) of the Act requires that a registered investment company (a) have a net worth of at least $100,000 prior to making a public offering of its securities, (b) have previously made a public offering and at that time have had a net worth of $100,000, or (c) have made arrangements for at least $100,000 to be paid in by 25 or fewer persons before acceptance of public subscriptions.

The Trust and each subsequent Series at the date of deposit of the underlying Bonds, and before any Units are offered to the public, will have a net worth substantially in excess of $100,000 represented by the principal amount of the Bonds deposited with the Trustee on that date. Deposit of Bonds by the Sponsor with a net worth in excess of $100,000 in the Trust and each subsequent Series in exchange for Units of the Trust and the subsequent Series, which units the Sponsor then intends to offer to the public, may be deemed not to satisfy these provisions of the Act.

Applicants, therefore, request exemption from the provisions of section 14(a) of the Act in order that they may make a public offering of Units of the Trust and subsequent Series as described above. In this connection, the Sponsor has agreed that it will refund on demand and without deduction all sales charges to purchasers of units of a Series if, within 90 days from the time when the Trust becomes effective under the Securities Act of 1933, the net worth of such Series shall be reduced to less than $100,000 or if the Trust shall have been terminated. The Sponsor further agrees to instruct the Trustee on the date of deposit of each Series that in the event redemption by the Sponsor and other underwriters of units constituting a part of the unsold units shall result in that Series having a net worth less than 40 percent of the principal amount of the bonds originally deposited, the Trustee shall terminate that Series in the manner provided in the Trust Agreement and distributed any bonds and other assets deposited with the Trustee pursuant to the Trust Agreement as provided therein. The Sponsor further agrees, in such event, to refund any sales charges to any purchaser of units of any Series purchased from the Sponsor or any dealer participating in the underwriting on demand and without deduction. Applicants contend that in these circumstances it would be consistent with the purposes of the Act and the protection of investors to exempt the Trust and all subsequent Series from the provisions of section 14(a) of the Act.

Rule 19b–1. Rule 19b–1(a) under the Act provides, in substance, that no registered investment company which is a "regulated investment company" shall distribute more than one capital gain distribution in any one taxable year. Paragraph (b) of the rule contains a similar prohibition for a company not a "regulated investment company," provided, however, that a unit investment trust may distribute capital gains distributions received from a "regulated investment company" within a reasonable time after receipt.

Applicants contemplate making distributions of principal and interest to Unitholders of a Series at least semi-annually. Distributions of principal constituting capital gains to Unitholders may arise in two instances: (1) If an issuing authority calls or redeems an issue held in the portfolio, the sums received by the Series will be distributed to Unitholders on the next distribution date; and (2) if units are redeemed and bonds from the portfolio are sold to provide the funds necessary for such redemption each Unitholder will receive his pro-rata portion of the proceeds from the bonds sold. In such instances, a Unitholder may receive in his distribution funds which constitute capital gains because, in some cases, the value of the portfolio bonds redeemed or sold may have increased since the date of initial deposit.

Applicants contend that the policy behind the exemption provided by paragraph (b) of Rule 19b–1 from the once-a-year capital gain distribution of Rule 19b–1(a) is relevant to each Series even though each Series will not invest in regulated investment companies. The dangers against which Rule 19b–1 is intended to guard, Applicants assert, do not exist in Applicants' situation since the events which may give rise to capital gains are substantially independent or any action by the Sponsor and the Trustee. In addition it is alleged that the amounts involved in a normal distribution of principal are relatively small in comparison to the normal interest distribution, and that such distributions are clearly indicated in accompanying reports to Unitholders as a return of principal. Applicants contend that it would clearly be to the detriment of Unitholders if a Series would be required to hold any money, which might be capital gains, until the end of its taxable year before distributing such gains to Unitholders.

Rule 22c–1. Applicants also seek an order pursuant to section 6(c) of the Act exempting the secondary market operations of the Sponsor from the provisions of Rule 22c–1 under the Act. The Sponsor proposes to adopt the practice of valuing units of a Series, for purchase and resale by the Sponsor in the secondary market, at prices computed once a week as of the close of business on the last business day of the week, effective for all transactions made during the following week. The evaluation is to be made by the Evaluator.

Rule 22c–1 provides, in part, that redeemable securities of registered investment companies must be sold, redeemed or repurchased at a price based on the current net asset value (computed on each day during which the New York Stock Exchange is open for trading not less frequently than once daily as of the time of the close of trading on such Exchange) which is next computed after receipt of a tender of such security for redemption or of an offer to repurchase or sell such security.

Applicants state that Rule 22c–1 has two purposes: (1) To eliminate or reduce any dilution of the value of outstanding redeemable securities of registered investment companies which would occur through the redemption or repurchase of such securities at a price above their net asset value or the sale of such securities at a price based on a previously established net asset value which would permit a potential investor to take advantage of an upswing in the market and the accompanying increase in the net asset value of the securities; and (2) to minimize speculative trading practices in the securities of registered investment companies.

Applicants assert that the pricing by the Sponsor in the secondary market will in no way affect the assets of a Series since the price at which units of a Series are sold or repurchased in the secondary market does not affect the value of either the underlying bonds or the fractional undivided interest in those bonds represented by each unit outstanding. Furthermore, because of the nature of the bonds in the portfolio i.e. tax-exempt municipal bonds, price changes are limited, the price movement in the municipal bond market is not ordinarily sufficient to make speculation in an interest in a group of bonds profitable.

The Sponsor has undertaken to adopt a procedure whereby the Evaluator without a formal evaluation, will provide estimate evaluations on trading days. In the case of a repurchase, if the Evaluator cannot state that the current bid price is not higher than the previous Friday's bid side evaluation, the Sponsor will order a full evaluation at the Trust's expense. The Sponsor has agreed that,

in the case of a resale of units in the secondary market, if the Evaluator cannot state that the previous Friday's offering side evaluation is no more than one-half point ($5.00 on a unit representing $1,000 principal amount of underlying bonds) greater than the current offering side evaluation, a full evaluation will be ordered at the Trust's expense. Applicants assert that this procedure will minimize the risk to selling Unitholders without imposing the expense of daily evaluations upon such investors.

Section 6(c) of the Act provides, in part, that the Commission may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provisions of the Act or of any rule or regulation under the Act, if and to the extent such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provision of the Act.

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 reason for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall 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 Applicants 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 application 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.

For the Commission, by the Division of Investment Management Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8342 Filed 4-10-74;8:45 am]

[File No. 500-1]

CANADIAN JAVELIN, LTD.

Suspension of Trading

APRIL 5, 1974.

The common stock of Canadian Javelin, Ltd. being traded on the American Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Canadian Javelin, Ltd. being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange is suspended, for the period from April 8, 1974 through April 17, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8344 Filed 4-10-74;8:45 am]

[812-3559]

CAPITAL TRINITY FUND, INC. AND FAIRFIELD FUND, INC.

Filing of Application

In the matter of Capital Trinity Fund, Inc., 2015 Ivy Road, Charlottesville, Virginia 22903 and Fairfield Fund, Inc., 605 Third Avenue, New York, New York 10016.

Notice is hereby given that Capital Trinity Fund, Inc. ("Capital") and Fairfield Fund, Inc. ("Fairfield") (hereinafter collectively referred to as "Applicants"), both registered under the Investment Company Act of 1940 ("Act") as diversified, open-end, management investment companies, have filed an application pursuant to section 17(b) of the Act for an order of the Commission exempting from the provisions of section 17(a) of the Act the proposed sale by Capital of substantially all of its assets to Fairfield in exchange for shares of common stock of Fairfield. 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.

Capital, a Delaware corporation, and Fairfield, a New York corporation, each employ Fairmont Advisory Services, Inc. ("Fairmont"), a wholly-owned subsidiary of National Securities and Research Corporation ("National"), as their investment adviser. National acts as principal underwriter for each of the Applicants. Two directors and three officers of Fairmont are, respectively, directors and officers of each of the Applicants and two directors and one officer of National are either directors or officers of each of the Applicants.

Capital and Fairfield have entered into an Agreement of Exchange, dated January 16, 1974 (the "Agreement"), providing for the acquisition of substantially all of the assets of Capital by Fairfield and the liquidation and subsequent dissolution of Capital. Applicants are proceeding on the opinion of counsel that the proposed transaction will constitute a tax-free reorganization and that no gain or loss will be recognized by the Applicants or their shareholders as the result of the transaction. Approval of the Agreement by the shareholders of Capital is a condition precedent to the consummation of the proposed transaction. If the Agreement is approved by shareholders, it is anticipated that the transaction will take place on April 30, 1974.

Prior to the closing date of the transaction, Capital will declare dividends to its shareholders consisting of all of its undistributed net taxable income. On the closing date, an exchange ratio will be determined by dividing the net asset value per share of Capital by the net asset value per share of Fairfield. For purposes of determining net asset value, securities held by Capital which are not listed on a national securities exchange will be valued at the last quoted bid price to conform with Fairfield's method of valuing such securities. Upon consummation of the transaction as contemplated by the Agreement, each Capital shareholder will have an account established in his name on the books of Fairfield credited with the number of Fairfield shares (including fractional shares carried to three decimal places) determined by multiplying the exchange ratio times the number of shares held by each such shareholder on the closing date.

As of December 31, 1973, Capital had a tax loss carry forward of $298,293 of which $230,730 would be available to Fairfield after consummation of the proposed transaction, and Fairfield had a tax loss carry forward of $14,287,841. Through the first six months of Fairfield's current fiscal year, it had accumulated an additional $1,332,318 in realized capital losses. In addition to the tax loss carry forwards, both Capital and Fairfield have substantial amounts of net unrealized depreciation on the securities in their portfolios. No adjustment in the bases of exchange will be made as a result of such tax losses or net unrealized depreciation. If the transaction had been consummated on December 31, 1973, the shareholders of Capital would have received approximately 15.4 percent of the shares of Fairfield.

Applicants state that, in view of the close affiliation between the managements of the Applicants, Fairmont, and National, they might be deemed to be under "common control" and each of the Applicants might be deemed an "affiliated person" of the other under the definition of "affiliated person" set forth in section 2(a)(3) of the Act.

Section 17(a) of the Act, in pertinent part, provides that it is unlawful for any affiliated person of a registered investment company knowingly to sell to or purchase from such registered investment company any security or other property except securities of which the investment company is the issuer. Pursuant to section 17(b) of the Act, the Commission, upon application, may grant

an exemption from such prohibition after finding that the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned and that the proposed transaction is consistent with the policy of each registered investment company concerned and the general purposes of the Act.

Applicants represent that the transaction is fair and reasonable and does not involve overreaching by any party concerned in that the transaction will be consummated on the basis of the net asset values of Capital and Fairfield determined at the same point in time and in the same manner. Applicants assert that the shareholders of both of the Applicants will benefit by the elimination of certain presently duplicated expenses such as legal, auditing and proxy composition expenses.

Applicants assert that the proposed transaction is consistent with the policies of both Capital and Fairfield. It is stated that recent market conditions have made it increasingly difficult for Capital to achieve its investment objective of capital growth with its investment approach of investing in small growth companies with new products, and that, in view of the precipitous decline in the net asset value per share of Capital in 1973 (33 percent), the Board of Directors of Capital deem it to be in the best interest of shareholders to combine with Fairfield. It is represented that the Board of Directors of Fairfield reviewed the securities in the portfolio of Capital and concluded that they were consistent with Fairfield's investment objectives and policies and were suitable for inclusion in Fairfield's portfolio. It is further represented that securities which, prior to closing, may no longer be suitable for Fairfield's portfolio will be sold and either cash or securities suitable for Fairfield's portfolio will be transferred to Fairfield at the closing.

The aggregate expenses of both of the Applicants in connection with the proposed transaction, including legal, accounting, transfer agent and other miscellaneous expenses, are estimated at $30,000. Each such expense will be borne by the fund which incurred the expense. Based on the foregoing, Applicants request an order of exemption from section 17(a) pursuant to section 17(b) of the Act to permit the proposed sale by Capital of substantially all of its assets to Fairfield in exchange for shares of Fairfield.

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 reason for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicants at the addresses stated above. Proof of such service (by affidavit, or in the case of an attorney-at-law, by certificate) shal 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 application 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.

For the Commission, by the Division of Investment Management Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74–8343 Filed 4–10–74;8:45 am]

[File No. 500–1]

CONTINENTAL VENDING MACHINE CORP.

Suspension of Trading

APRIL 4, 1974.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Continental Vending Machine Corporation being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities otherwise than on a national securities exchange is suspended, for the period from April 5, 1974 through April 14, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74–8345 Filed 4–10–74;8:45 am]

[File No. 500–1]

HOME-STAKE PRODUCTION CO.

Suspension of Trading

APRIL 4, 1974.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Home-Stake Production Company being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities otherwise than on a national securities exchange is suspended, for the period from April 5, 1974 through April 14, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74–8346 Filed 4–10–74;8:45 am]

[812–3603]

LEON B. ALLEN FUND, INC.

Filing of Application

Notice is hereby given that Leon B. Allen Fund, Inc. (the "Fund"), a New York corporation registered under the Investment Company Act of 1940 ("Act") as a diversified, open-end, management investment company, has filed an application pursuant to section 6(c) of the Act for an order of temporary exemption from section 15(a) of the Act and pursuant to section 10(e) of the Act for an order of temporary exemption from section 10(a) of the Act to the extent noted below. 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.

Charles W. Gillen ("Gillen"), the controlling partner of the partnership of Gillen & Company which acts as the investment adviser to the Fund, died on January 9, 1974. By operation of law, his entire interest in the partnership was automatically transferred to his estate upon his death. The existing investment advisory contract between the Fund and Gillen & Company provided, as required by section 15 of the Act, that it would terminate in the event of an assignment. An assignment is defined by section 2(a)(4) of the Act to include any direct or indirect transfer of a contract. The investment advisory contract may, therefore, be deemed to have been terminated upon Gillen's death by the transfer to his estate of his controlling partnership interest in the investment adviser.

Section 15(a) of the Act prohibits any person from serving as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by the vote of a majority of the outstanding voting securities of such investment company.

On January 15, 1974, Ellis D. Slater ("Slater") resigned as a director of the Fund. On the same day, the three remaining directors, by letter, approved an interim advisory agreement with Gillen & Company. Such interim agreement, covering the period from January 9 through January 31, 1974, contained the same terms and conditions as the advisory agreement in effect on the date of Gillen's death. On January 31, 1974, the surviving partners of Gillen & Company dissolved the partnership.

Following Gillen's death, the directors of the Fund, knowing that the surviving partners of Gillen & Company had agreed to dissolve and liquidate such partnership, gave consideration to the retention of a new investment adviser. After discussions with various management com-

panies, the directors of the Fund gave favorable consideration to First Investors Management Company ("First Investors") who offered to act as investment adviser to the Fund on substantially the same terms as contained in the most recent advisory contact with Gillen & Company. First Investors proposed to carry on substantially the same investment policies and objectives presently followed by the Fund and to act as the distributor for shares of the Fund. The proposed agreement with First Investors will be submitted to shareholders of the Fund for approval at a meeting to be held prior to April 30, 1974. If approved by shareholders, the name of the Fund will be changed to "First Investors Trust Fund." Pending resolution of the question of a new investment advisory agreement, the Fund has suspended all sales of its shares to the public.

On February 5, 1974, the board of directors of the Fund unanimously approved both the interim agreement with Gillen & Company and an interim agreement dated February 1, 1974 with First Investors under which First Investors undertook to act as investment adviser to the Fund on the same terms and conditions as the most recent advisory agreement between the Fund and Gillen & Company except that the advisory fee payable would be the lower of ½ of 1 percent of the Fund's average net assets on an annual basis or First Investors actual operating costs.

It is asserted that the interim agreements with Gillen & Company and First Investors were necessary in order to provide operational continuity for the Fund. The interim agreements with Gillen & Company and First Investors contain the same terms and conditions as the agreement approved by shareholders of the Fund on October 1, 1973 except, in the case of First Investors, services will be rendered at cost or for the fee stated in such agreement, whichever is lower.

The Fund, therefore, requests an order pursuant to section 6(c) of the Act (1) exempting the interim agreement with Gillen & Company from the provisions of section 15(a) of the Act for the period from January 9 to January 31, 1974; and (2) exempting the interim agreement with First Investors from the provisions of section 15(a) of the Act for the period from February 1 until April 30, 1974 or until the conclusion of the next shareholders meeting of the Fund, whichever occurs first.

Section 6(c) of the Act provides that the Commission, by order upon application, may conditionally or unconditionally exempt any person or transaction from any provision of the Act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

As the result of Gillen's death and Slater's resignation, the five member board of the Fund were reduced to three directors, two of whom are considered to be "interested persons" of the Fund as defined by section 2(a)(19) of the Act.

Section 10(a) of the Act provides that no registered investment company shall have a board of directors more than 60 percentum of the members of which are persons who are interested persons of such registered company. Section 10(e) of the Act provides, in substance, that, if by reason of the death or bonafide resignation of any director or directors, the requirements of paragraph (a) shall not be met by a registered investment company, the operation of such provisions shall be suspended as to such registered company for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors, or for such longer period as the Commission may prescribe by order upon application, as not inconsistent with the protection of investors.

It is represented that the remaining directors of the Fund attempted to fill the vacancies on the board but were unable to find persons willing to serve as directors. First Investors has advised the Fund that it will submit a slate of directors to shareholders for approval at the meeting to be called to vote on the new investment advisory agreement between the Fund and First Investors. Applicant asserts that the interests of Fund shareholders are not being adversely effected by the inability of the Fund to fill the vacancies on the board since the present board has been and will be performing only in a caretaker's capacity pending shareholder action on the new investment advisory agreement with First Investors. Based on the foregoing, Applicants request an order of exemption pursuant to section 10(e) of the Act for the period from January 9 until April 30, 1974 or the conclusion of the next shareholders meeting of the Fund, whichever shall occur first.

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 reason for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall 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 O–5 of the rules and regulations promulgated under the Act, an order disposing of the application 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.

For the Commission, by the Division of Investment Management Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74–8341 Filed 4–10–74;8:45 am]

[70–5357]

MONONGAHELA POWER CO., ET AL.

Filing of Post-Effective Amendment

In the matter of Monongahela Power Co., 1310 Fairmont Avenue, Fairmont, West Virginia 26554; The Potomac Edison Co., Downsville Pike, Hagerstown, Maryland 21740; West Penn Power Co., 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601.

Notice is hereby given that Monongahela Power Company ("Monongahela"), The Potomac Edison Company ("PE"), and West Penn Power Company ("West Penn"), public utility subsidiary companies of Allegheny Power System, Inc., a registered holding company, have filed with this Commission a post-effective amendment to the application previously filed in this matter, pursuant to section 6(b) of the Public Utility Holding Company Act of 1935 ("Act") and Rule 50(a)(5) promulgated thereunder. All interested persons are referred to the application as now amended, which is summarized below, for a complete statement of the proposed transactions.

By order dated July 27, 1973 (Holding Company Act Release No. 18041), this Commission, among other things, authorized the issue and sale of short-term notes to banks and to dealers in commercial paper from time to time for the period July 31, 1973, to December 31, 1974. The order also contained a limitation which provided that the authorized amount of short-term notes or commercial paper which PE is authorized to issue must be reduced by unsecured debt with a maturity in excess of 10 years which may be outstanding of PE.

It is now proposed that the restriction be changed to provide that the maximum amount of unsecured debt, including debt with a maturity in excess of 10 years, outstanding at any one time, shall not exceed 20 percent of PE's total capitalization.

It is also proposed that the names of banks from which borrowings are proposed to be effected and the maximum amount which may be outstanding at any one time from each of such banks be amended to read as follows:

Monongahela:	
First National City Bank	$35,000,000
Mellon Bank N.A.	30,000,000
Chemical Bank	30,000,000
Pittsburgh National Bank	5,000,000
Manufacturers Hanover Trust Co.	20,000,000
Chase Manhattan Bank N.A.	5,000,000
Irving Trust Co.	5,000,000
	130,000,000

PE:	
First National City Bank	$40,000,000
Mellon Bank N.A	30,000,000
Chemical Bank	30,000,000
Pittsburgh National Bank	5,000,000
Manufacturers Hanover Trust Co	20,000,000
Chase Manhattan Bank N.A	5,000,000
Irving Trust Co	5,000,000
	135,000,000
West Penn:	
First National City Bank	$50,000,000
Mellon Bank N.A	30,000,000
Chemical Bank	30,000,000
Pittsburgh National Bank	5,000,000
Manufacturers Hanover Trust Co	20,000,000
Chase Manhattan Bank N.A.	5,000,000
Irving Trust Co	5,000,000
	$145,000,000

Each note payable to a bank will be dated as of the date of the borrowing which it evidences, will mature not more than 270 days after the date of issuance or renewal thereof, will bear interest at the prime or comparable interest rate of the bank from which the borrowing is made, in effect at the time of issuance or in effect from time to time, and will be prepayable at any time without premium or penalty.

The maximum amount of short-term notes outstanding at any one time will not, when taken together with any commercial paper outstanding, be in excess of $35,000,000 in the case of Monongahela or $60,000,000 in the case of West Penn and in the case of PE will not, when taken together with any commercial paper outstanding and any long-term unsecured debt outstanding, be in excess of $40,000,000 in each case including any notes which may be outstanding pursuant to prior orders of the Commission. It is stated that Monongahela, PE, and West Penn maintain balances to meet regular operating requirements at these banks which vary in amount from time to time. If average balances were maintained solely to fulfill compensating balance requirements of major banks, approximately 20 percent, the effective interest costs to each of the companies issuing and selling the notes on the basis of a prime commercial credit or comparable rate of 9.5 percent would be 11.875 percent.

Monongahela, PE, and West Penn request an exception from the competitive bidding requirements of Rule 50 for the proposed issue and sale of its commercial paper pursuant to paragraph (a)(5) thereof. Each applicant also requests authority to file certificates under Rule 24 with respect to the issue and sale of commercial paper hereafter consummated pursuant to this application on a quarterly basis.

No state commission and no federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than April 29, 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 said post-effective amendment to the application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 50 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit, or in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as now amended or as it may be further amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20 (a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8347 Filed 4-10-74;8:45 am]

[File No. 500-1]

NATIONAL ALFALFA DEHYDRATING AND MILLING CO.

Suspension of Trading

APRIL 5, 1974.

The common stock of National Alfalfa Dehydrating and Milling Company being traded on the American Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of National Alfalfa Dehydrating and Milling Company being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange is suspended, for the period from April 6, 1974 through April 15, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8348 Filed 4-10-74;8:45 am]

[File No. 500-1]

ROYAL PROPERTIES INC.

Suspension of Trading

APRIL 5, 1974.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Royal Properties Incorporated being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities otherwise than on a national securities exchange is suspended, for the period from April 8, 1974 through April 17, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8349 Filed 4-10-74;8:45 am]

[File No. 500-1]

STRATTON GROUP, LTD.

Suspension of Trading

APRIL 4, 1974.

The common stock of Stratton Group, Ltd. being traded on the American Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Stratton Group, Ltd. being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to sections 19(a)(4) and 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities on the above mentioned exchange and otherwise than on a national securities exchange is suspended, for the period from April 5, 1974 through April 14, 1974.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc.74-8350 Filed 4-10-74;8:45 am]

[File No. 500-1]

TECHNICAL RESOURCES, INC.

Suspension of Trading

APRIL 5, 1974.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Technical Resources, Inc. being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

Therefore, pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, trading in such securities otherwise than on a national securities ex-

change is suspended, for the period from April 7, 1974 through April 16, 1974.

By the Commission.

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

[FR Doc.74-8351 Filed 4-10-74;8:45 am]

TARIFF COMMISSION

[337-L-69]

CERTAIN GARAGE DOOR LOCKS

Dismissal of Preliminary Inquiry

On April 3, 1974, the U.S. Tariff Commission (Commissioner Young dissenting; Vice Chairman Parker and Commissioner Leonard not participating) dismissed, without prejudice, preliminary inquiry No. 337-L-69, Certain Garage Door Locks. The preliminary inquiry was instituted on the basis of a complaint filed with the Commission on November 5, 1973, by National Lock Hardware, Rockford, Illinois, alleging unfair methods of competition and unfair acts in the importation and/or sale of certain garage door locks in the United States in violation of section 337 of the Tariff Act of 1930. Notice of the Commission's receipt of complaint and institution of the preliminary inquiry was published in the FEDERAL REGISTER on January 8, 1974 (39 FR 1406).

By order of the Commission.

Issued: April 5, 1974.

[SEAL] KENNETH R. MASON, *Secretary.*

[FR Doc.74-8319 Filed 4-10-74;8:45 am]

[337-L-72]

CERTAIN WHEEL BALANCING WEIGHTS

Complaint Received

The United States Tariff Commission hereby gives notice of the receipt on March 7, 1974, of a complaint under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337), filed by Gottwald Industries, Inc., of Akron, Ohio, alleging unfair methods of competition and unfair acts in the importation and sale of certain wheel balancing weights which are embraced within the claims of U.S. Patent Nos. 3,177,039 and 3,273,941 licensed to the complainant. Miguel Guiterrez of Fundicion Mecanica S.A. de C.V., Ensenada, Baja California, Republic of Mexico, has been named as either importing or offering for sale the subject product in the United States. In addition, entry documents show that Per-Spec Industries, Inc., 1805 Potrero Street, El Monte, California, and Parnelli Jones Enterprises, 20555 Earl Street, Torance, California, are importers or consignees of shipments of this product.

In accordance with the provisions of § 203.3 of its Rules of Practice and Procedure (19 CFR 203.3), the Commission has initiated a preliminary inquiry into the issues raised in the complaint for the purpose of determining whether there is good and sufficient reason for a full investigation, and if so whether the Commission should recommend to the President the issuance of a temporary exclusion from entry under section 337(f) of the Tariff Act.

A copy of the complaint is available for public inspection at the Office of the Secretary, United States Tariff Commission, 8th and E Streets, NW., Washington, D.C., and at the New York office of the Tariff Commission located in Room 437 of the Customhouse.

Information submitted by interested persons which is pertinent to the aforementioned preliminary inquiry will be considered by the Commission if it is received not later than May 20, 1974. Extensions of time for submitting information will not be granted unless good and sufficient cause is shown thereon. Such information should be sent to the Secretary, United States Tariff Commission, 8th and E Streets, NW., Washington, D.C. 20436. A signed original and nineteen (19) true copies of each document must be filed.

By order of the Commission.

Issued: April 5, 1974.

[SEAL] KENNETH R. MASON, *Secretary.*

[FR Doc.74-8320 Filed 4-10-74;8:45 am]

DEPARTMENT OF LABOR

Bureau of Labor Statistics

BUSINESS RESEARCH ADVISORY COUNCIL

Meeting

The regular spring meeting of the Business Research Advisory Council will be held on April 24, 1974, at 9:30 a.m. in Room 4454 of the General Accounting Office Building, 441 G Street, NW., Washington, D.C. Agenda for the meeting follows:

1. Report of the Program Committee:
   (a) Guidelines for BRAC action toward voluntary reporting.
   (b) Confidentiality of data.
   (c) CPI definition change.
   (d) Fiscal 1976 program.
2. Reports of subject matter Committees:
   (a) Occupational Safety and Health.
   (b) Manpower and Employment.

It is suggested that persons planning to attend this meeting as observers contact Kenneth G. Van Auken, Executive Secretary, Business Research Advisory Council on (Area Code 202) 961-2559.

Signed at Washington, D.C. this 4th day of April 1974.

JULIUS SHISKIN, *Commissioner of Labor Statistics.*

[FR Doc.74-8299 Filed 4-10-74;8:45 am]

Office of Federal Contract Compliance

STATE AND LOCAL GOVERNMENT EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS FOR FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

Approval of Illinois EEO Requirements and Opportunity for Appeal

1. *Background.* 41 CFR 60-1.4(b)(2) (39 FR 2365, January 21, 1974) prescribes procedures whereby State and local governments intending to impose affirmative action hiring and/or training requirements on federally assisted construction already subject to federal minority hiring and/or training plans established pursuant to Executive Order 11246, as amended, shall submit such requirements to the Director of the Office of Federal Contract Compliance. Such State and local requirements will be deemed applicable to federally assisted construction contracts unless the OFCC Director, or in the case of an appeal of the Director's determination, the Assistant Secretary for Employment Standards, determines that such requirements are inconsistent with the Order or incompatible with the effective implementation of the federal minority hiring and/or training plan (either voluntary or imposed) in the area.

Pursuant to 41 CFR 60-1.4(b)(2), on January 31, 1974, the State of Illinois submitted its Rules and Regulations for Public Contracts Prescribed by the Illinois Fair Employment Practices Commission to the OFCC Director. The Public Contracts Division Staff in the Illinois Fair Employment Practices Commission is the State agency designated to administer the Rules and Regulations throughout the State. The Illinois Rules and Regulations are applicable to all State public work projects whether construction or nonconstruction. These Rules and Regulations were adopted by the Illinois Fair Employment Practices Commission on November 9, 1972, and have been in effect since that date. In relevant part, § 5.2 of the rules and regulations requires all bidders on construction contracts subject to the competitive bidding requirements of Illinois law to submit a Bidder's Employee Utilization Form-Construction (FEPC Form PC-2) with their bids which sets forth a projection and breakdown of the total workforce intended to be hired and/or allocated for the project, including a manpower utilization analysis of the projected hiring and allocation of minorities and women on the project. The manpower utilization analysis required for this projection must consider at least the five criteria contained in § 4.2 of the regulations:

(1) The size of the minority and female unemployment force;

(2) The numbers of minorities and women having requisite skills;

(3) The promotable and transferable minorities and women within the contractor's or subcontractor's organization;

(4) The existence of training institutions capable of training persons in the requisite skills; and

(5) The degree of training which the contractor or subcontractor is reasonably able to undertake as a means of making all job classifications available to minorities and women.

Only the Employee Utilization Form and workforce projections contained therein submitted by the contract awardee is reviewed by the contracting agency to determine whether the project will have an underutilization of minorities and women in any job classification.

Presumably, the contracting agency applies the criteria in § 4.2 when reviewing the contract awardee's utilization form. After the contract is awarded, if the contracting agency determines that the contract awardee's workforce projections reflect an underutilization of minorities and/or women, the contract awardee must submit an acceptable written affirmative action plan. Section 4.3 requires that an acceptable affirmative action plan includes the contractor's manpower utilization analysis as described in § 4.2 and goals and timetables for recruitment, hiring and promotion efforts of the contract award. Should the contract awardee fail to submit an acceptable written affirmative action plan or otherwise fail to be in compliance with the State's EEO regulations, the Illinois Fair Employment Practices Commission may issue a show cause notice and proceed to a hearing leading to debarment, suspension, cancellation, withholding progress payments or assessment of statutory monetary penalties. Copies of the Illinois Rules and Regulations may be obtained from the Illinois Fair Employment Practices Commission, 189 West Madison Street, Suite 900, Chicago, Illinois 60602, or Mr. Philip J. Davis, Director, Office of Federal Contract Compliance, U.S. Department of Labor, 14th & Constitution Avenue NW., Washington, D.C. 20210.

2. *Decision.* After careful review of the Illinois Fair Employment Practices Commission's rules and regulations for Public Contracts, in accordance with the provisions of 41 CFR 60–1.4(b)(2), I have determined that Illinois' rules and regulations are not inconsistent with Executive Order 11246, as amended, and not incompatible with the implementation of federal hometown and imposed plans in operation in the State of Illinois. However, my approval is provisioned and conditioned upon a subsequent determination by the Comptroller General of the United States that the Illinois Fair Employment Practices Commission's rules and regulations for Public Contracts are consistent with applicable federal procurement law requirements for federally assisted construction contracts. In the event that the Comptroller General's opinion is unfavorable to the State's EEO requirements, my provisional approval will be rescinded.

3. *Rights of Appeal.* On March 27, 1974, in accordance with 41 CFR 60–1.4(b)(2), I communicated my determination directly to Mr. Melvin F. Jordan, Executive Director of the Illinois Fair Employment Practices Commission by registered mail, return receipt requested, together with a notification of the Commission's right to appeal my determination to the Assistant Secretary for Employment Standards. The State of Illinois and any other persons or groups affected by my determination, including construction trades contractors, labor organizations, associations or other organizations of construction trades contractors and/or labor organizations, and minority community groups, may appeal this determination to Mr. Bernard E. DeLury, Assistant Secretary for Employment Standards, U.S. Department of Labor, 14th & Constitution Avenue, NW., Washington, D.C. 20210, by requesting a hearing on or before May 2, 1974. Following this appeal period, if any requests for a hearing have been filed with the Assistant Secretary, the Department of Labor shall then designate an administrative law judge who shall conduct a hearing to make proposed findings and a recommended decision to the Assistant Secretary upon the basis of the record before him. The administrative law judge shall give reasonable notice of the opportunity to participate in such hearing by registered mail, return receipt requested, to those requesting the hearing and shall also give reasonable notice of such hearing in the FEDERAL REGISTER to inform all other persons, organizations and other entities affected by my determination of their opportunity to participate in the hearing. Each participant shall have the right to counsel and a fair opportunity to present his case, including such cross-examination as the administrative law judge may deem appropriate in the circumstances. Within 80 days of the close of the appeal period for requesting a hearing, the Assistant Secretary shall make a final decision on the basis of the record before him, which shall consist of the record for recommended decision, the rulings and recommended decision of the administrative law judge, and the exceptions and briefs filed subsequent to the administrative law judge's decision.

Signed at Washington, D.C., this 5th day of April 1974.

PHILIP J. DAVIS,
Director, Office of Federal Contract Compliance.

[FR Doc.74–8301 Filed 4–10–74;8:45 am]

STATE AND LOCAL GOVERNMENT EQUAL EMPLOYMENT OPPORTUNITY. REQUIREMENTS FOR FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

Approval of Ohio EEO Requirements and Opportunity for Appeal

1. *Background.* 41 CFR 60–1.4(b)(2) (39 FR 2365, January 21, 1974) prescribes procedures whereby State and local governments intending to impose affirmative action hiring and/or training requirements on federally assisted construction already subject to federal minority hiring and/or training plans established pursuant to Executive Order 11246, as amended, shall submit such requirements to the Director of the Office of Federal Contract Compliance. Such State and local requirements will be deemed applicable to federally assisted construction contracts unless the OFCC Director, or in the case of an appeal of the Director's determination, the Assistant Secretary for Employment Standards, determines that such requirements are inconsistent with the Order or incompatible with the effective implementation of the federal minority hiring and/or training plan (either voluntary or imposed) in the area.

Pursuant to 41 CFR 60–1.4(b)(2), on March 27, 1974, the State of Ohio submitted to the OFCC Director the Governor's Executive Order of January 27, 1972, the Final Order of November 30, 1973, and the bid conditions issued under Part IV–C of the Department of Public Works Regulations on Equal Employment Opportunity, dated November 20, 1973, and the State's Proposed Implementing rules and regulations. The State Construction EEO Coordinator of the Ohio Department of Administrative Services is the State official designated to administer the State's affirmative action requirements.

The Governor's Executive Order applies to bidders on all State and State-assisted construction projects (including those receiving federal funds) which have an estimated total cost which exceeds $500,000 and are located in the Ohio portions of the SMSA's of Akron, Cincinnati, Cleveland, Columbus, Dayton, Toledo, or Youngstown. The Governor's Executive Order requires bidders on these projects to submit an acceptable affirmative action program which includes specific goals for the utilization of minority manpower in up to twenty-four (24) trades.

The Order includes a set of bid conditions which contain definite minimum acceptable goals which must be included in a contractor's affirmative action plan. These goals are established by the State Construction EEO Coordinator for each of the SMSA's covered by the Order. Where Federal Bid Conditions have been established incorporating by reference the requirements of hometown plans in Ohio, the maximum level of the applicable range of utilization agreed to in the federal hometown plan has been adopted as the minimum goal in the Ohio Order. Part VIII of the Order sets forth the factors considered in establishing the goals and timetables adopted by the EEO Coordinator. The factors include:

(1) Current minority participation rates in the various trades for each SMSA.

(2) Current minority population in each SMSA.

(3) Unemployment and underemployment rates.

(4) The availability and need for training programs.

(5) The availability of minority group persons for employment in each trade.

The State bid conditions must be included in all construction projects covered by the Governor's Order and a summary of the bidder's past record of equal employment affirmative action or a statement that no such affirmative action has been undertaken must be included in the section of the State bid conditions captioned Certification. The Certification must be signed by the bidder, and he agrees to incorporate a blank Certification in all bid invitations sent to prospective subcontractors.

To be in compliance with the State's EEO bid conditions, a contractor may either adopt by certification the goals and timetables in the State bid condi-

tions *and* the "Specific Affirmative Action Steps" detailed in Appendix B of the State bid conditions; or secure approval, prior to the opening of bids, of his own written Affirmative Action Plan. The "Specific Affirmative Action Steps" described in Appendix B are analogous to the sixteen factors considered under federal hometown and imposed plans in determining whether a contractor has made good faith efforts to attain his goals of minority manpower utilization. In addition, specific minimum standards and criteria for developing an acceptable written Affirmative Action Plan are set forth in the Implementing Rules and Regulations of the Department of Public Works Regulations on EEO. Copies of the Governor's Executive Order and bid conditions and the Proposed Implementing Rules and Regulations may be obtained from Mr. E. Winther McCroom, State Construction EEO Coordinator, Ohio Department of Administrative Services, 20 North High Street, Columbus, Ohio 43215, or Mr. Philip J. Davis, Director, Office of Federal Contract Compliance, U.S. Department of Labor, 14th Street and Constitution Avenue NW., Washington, D.C. 20210.

2. *Decision.* After careful review of the State of Ohio's requirements, in accordance with the provisions of 41 CFR 60-1.4(b)(2), I have determined that Ohio's requirements are not inconsistent with Executive Order 11246, as amended, and not incompatible with the implementation of federal minority hiring and/or training plans in operation in the State of Ohio. Accordingly, I have approved Ohio's requirements, and the State may include such requirements in federally assisted construction contracts.

3. *Rights of Appeal.* On March 28, 1974, in accordance with 41 CFR 60-1.4(b)(2), I communicated my determination to Mr. E. Winther McCroom, Ohio State Construction EEO Coordinator. Pursuant to 41 CFR 60-1.4(b)(2), any persons or groups affected by my determination, including construction contractors, labor organizations, associations or other organizations of construction trades contractors and/or labor organizations, and minority community groups, may appeal this determination to Mr. Bernard E. DeLury, Assistant Secretary for Employment Standards, 14th Street and Constitution Avenue NW., Washington, D.C. 20210, by requesting a hearing on or before May 2, 1974. Following this appeal period, if any requests for a hearing have been filed with the Assistant Secretary, the Department of Labor shall then designate an administrative law judge who shall conduct a hearing to make proposed findings and a recommended decision to the Assistant Secretary upon the basis of the record before him. The administrative law judge shall give reasonable notice of the opportunity to participate in such hearing by registered mail, return receipt requested, to those requesting the hearing and shall also give reasonable notice of such hearing in the FEDERAL REGISTER to inform all other persons, organizations and other entities affected by my determination of their opportunity to participate in the hearing. Each participant shall have the right to counsel and a fair opportunity to present his case, including such cross-examination as the administrative law judge may deem appropriate in the circumstances. Within 80 days of the close of the appeal period for requesting a hearing, the Assistant Secretary shall make a final decision on the basis of the record before him, which shall consist of the record for recommended decision, the rulings and recommended decision of the administrative law judge, and the exceptions and briefs filed subsequent to the administrative law judge's decision.

Signed at Washington, D.C., this 5th day of April 1974.

PHILIP J. DAVIS,
Director, Office of Federal Contract Compliance.

[FR Doc.74-8300 Filed 4-10-74;8:45 am]

Occupational Safety and Health Administration

[V-74-23]

ASSOCIATED GENERAL CONTRACTORS OF ST. LOUIS, ET AL.

Application for Variance and Interim Order; Grant of Interim Order

I. *Notice of Application.* Notice is hereby given that Associated General Contractors of St. Louis, 144 Chase-Park Hotel, St. Louis, Missouri 63108; and Associated Builders and Contractors, Inc., 235 Bear Hill Road, Waltham, Massachusetts 02154, acting on behalf of their members, have made application pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596; (29 U.S.C. 655)), and 29 CFR 1905.11 for a variance, and interim order pending a decision on the application for a variance, from the regulations prescribed in 29 CFR 1926.154(d) which prohibits the use of solid fuel salamanders in buildings and on scaffolds.

The addresses of the members of the Associated General Contractors of St. Louis are as follows:

Affholder, Inc.
11767 Lackland Road
St. Louis, Missouri 63141

Alberici, J. S. Constr., Co., Inc.
2150 Kienlen Avenue
St. Louis, Missouri 63121

Alberici-Koch-Laumand Joint Venture
2150 Kienlen Avenue
St. Louis, Missouri 63121

Albers Construction Company
4180 Beck Avenue
St. Louis, Missouri 63116

Allied Builders Corporation
2800 South Brentwood Blvd.
St. Louis, Missouri 63144

Bannes-Shaughnessy, Inc.
6780 Southwest Avenue
St. Louis, Missouri 63143

Bank Bldg. & Equipt. Corp. of America
1130 Hampton Avenue
St. Louis, Missouri 63139

Bank Bldg. & Equipt. Corp. of America
100 Progress Parkway
Maryland Heights, Missouri 63043

Bayer, D. R. Company, Inc.
652 New Ballas Road
St. Louis, Missouri 63141

Beck, Henry Company
4600 First National Bank Tower
Dallas, Texas 75202

Ben Hur Construction Company
5102 Farlin Avenue
St. Louis, Missouri 63115

Bloomsdale Excavating Co., Inc.
Bloomsdale, Missouri 63627

Browne, R. E. & Associates
5944 Arsenal
St. Louis, Missouri 63139

Budrovich Excavating, Inc.
2529 Lemay Ferry Road
St. Louis, Missouri 63125

The Bunce Corporation
1266 Andes Blvd.
St. Louis, Missouri 63132

Collins & Hermann Inc.
12215 Winterset Drive
Florissant, Missouri 63033

Chaney Fence Corp.
410 Old Fee Fee Road
Florissant, Missouri 63031

Christian Contracting, Inc.
103 Weldon Parkway
Maryland Heights, Missouri 63043

Continental Constructors, Inc.
(Brunson Constr. Corp.)
4052 Forest Park Avenue
St. Louis, Missouri 63108

Cook, S. F. Constr. Co., Inc.
2440 Old Dorsett Road
Maryland Heights, Missouri 63043

Cunliff, Wm. H. & Nelson Company
10000 Old Olive Street Road
St. Louis, Missouri 63141

Dailey, H. A. Inc.
876 Hodiamont Avenue
St. Louis, Missouri 63112

Deal, H. B. Constr. Company
5517 Manchester Avenue
St. Louis, Missouri 63110

Dickie Constr. Company
2025 South Brentwood Blvd.
St. Louis, Missouri 63144

Drilling Service Company
2500 Drilling Service Drive
Maryland Heights, Missouri 63043

Emmenegger Construction, Inc.
11820 Tesson Ferry Road
St. Louis, Missouri 63128

Fleischer-Seeger Construction Company
5725 Manchester Avenue
St. Louis, Missouri 63110

Frazier-Davis Constr. Company
2150 Kienlen Avenue
St. Louis, Missouri 63121

Fruin-Colnon Corporation
1706 Olive Street
St. Louis, Missouri 63103

Fruin-Colnon Corp. and J. S. Alberici Constr. Co., Inc., Joint Venture
P.O. Box 504
Hazelwood, Missouri 63042

Gamble Constr. Co., Inc.
5730 Wise Avenue
St. Louis, Missouri 63110

Gampco, Inc.
11937 Dorsett Road
Maryland Heights, Missouri 63043

Lester M. Grotpeter Constr. Co., Inc.
122 North Kirkwood Road
St. Louis, Missouri 63122

Gutmann Constr. Co., Inc.
9449 Lackland Road
St. Louis, Missouri 63114

Hall, H. H. Constr. Company
211 South 15th Street
East St. Louis, Illinois 62207

Hankins Constr. Company
7818 Forsyth
St. Louis, Missouri 63105

Hays-Fendler Constr. Co.
10204 Manchester Road
St. Louis, Missouri 63122

Hercules Constr. Company
9810 Page Blvd.
St. Louis, Missouri 63132

Hilton Constr. Company
2440 South Brentwood Blvd.
St. Louis, Missouri 63144

Hospital Bldg. & Equipt. Co., Inc.
(Subsidiary Kummer Corp.)
9109 Watson Road
St. Louis, Missouri 63126

Israel Brothers, Inc.
P.O. Box 11787
(121 Hunter Road)
St. Louis, Missouri 63105

Jones-Kissner Constr. Co.
706 Chestnut Street
St. Louis, Missouri 63101

Jones, R. K. & A., Inc.
(Cousins, Geo. L. Contg. Co.)
8675 Olive Boulevard
St. Louis, Missouri 63132

Kelly Bros. Paving & Constr. Co.
544 Clark Avenue
St. Louis, Missouri 63122

Kloster Company, Inc.
4607 Beck Avenue
St. Louis, Missouri 63116

Koch-Laumand Contg. Inc.
No. 8 Progress Parkway
Maryland Heights, Missouri 63043

Kozeny-Wagner, Inc.
4712 Green Park Road
St. Louis, Missouri 63123

Kraus, Samuel Company
1610 Woodson Road
St. Louis, Missouri 63114

Kroeger, H. W. Erection Company
4800 Parker Avenue
St. Louis, Missouri 63116

Lawlor, G. T. Constr. Co., Inc.
414 Hanley Ind. Court
St. Louis, Missouri 63144

Luth, Fred M. & Sons, Inc.
4516 McRee Avenue
St. Louis, Misouri 63110

MacDonald Constr. Company
5510 Gray Street
Suite 221
Tampa, Florida 33609

McCarthy Bros. Company
P.O. Box 20036, Brentwood Station
(1341 Rock Hill Road)
St. Louis, Missouri 63144

McMenamy, Bernard Contr., Inc.
P.O. Box 340
(1600 Fair Lane)
St. Charles, Missouri 63301

Mercantile Trust
Henry C. Beck & Millstone Constr., Inc.
Joint Venture
P.O. Box 1124
St. Louis, Missouri 63188

Millstone Constr. Inc.
8510 Eager Road
St. Louis, Missouri 63144

Missouri Petroleum Products Company
1620 Woodson Road
St. Louis, Missouri 63114

Monsey, Feager Engrs. & Constrs. Ltd.
152 Progress Parkway
Maryland Heights, Missouri 63043

Murch-Jarvis Constr. Co.
705 Olive Street, Suite 401
St. Louis, Missouri 63101

Murray, R. W. & Co.
11960 Westline Ind. Drive
St. Louis, Missouri 63141

Nelson Constr. Co., Inc.
201 South Central
St. Louis, Missouri 63105

Orco Erection Inc.
P.O. Box 3729
(816 South Kirkwood Road)
St. Louis, Missouri 63122

Pantheon Corporation
2876 Pine Place
St. Louis, Missouri 63103

Potashnick, R. B.
Box 190
Cape Girardeau, Missouri 63701

Quick Erectors, Inc.
597 Hanley Ind. Court
St. Louis, Missouri 63144

Rallo, C. Contg. Co., Inc.
5000 Kemper Avenue
St. Louis, Missouri 63139

Reinforcing Steel Inst. Co., Inc.
7201 Polson Lane
Hazelwood, Missouri 63042

Reliance Constr. Co.
109 Weldon Parkway
Maryland Heights, Missouri 63043

Rouse-Wates, Inc.
(Norbury Constr. Co.)
120 Progress Parkway, Suite 101
Maryland Heights, Missouri 63043

St. Louis Steel Erection Co.
5112 Wise Avenue
St. Louis, Missouri 63110

Shurtz Constr. Co., Inc.
9951 Lin-Ferry Road
St. Louis, Missouri 63123

Smith & Brennan Pile Co., Inc.
(Wabash Drilling Co.)
110 Angelica Street
St. Louis, Missouri 63147

Staat, Kenneth Constr. Co.
Rt. 3, Box 301
Imperial, Missouri 63052

Stocker Constr. Co., The
7712 Big Bend Boulevard
St. Louis, Missouri 63119

Strothmann Constr. Co.
3 Sunview Lane
St. Louis, Missouri 63141

Swan Constr. Co., Inc.
8130 Volcour Avenue
St. Louis, Missouri 63123

Tarlton, G. L. Contg. Co.
5500 West Park Avenue
St. Louis, Missouri 63110

V & M Constr., Inc.
9645 Clayton Road
St. Louis, Missouri 63124

Venture Constr. Co.
2814 Brentwood Blvd.
St. Louis, Missouri 63144

Volk Constr. Co.
4238 Sarpy Avenue
St. Louis, Missouri 63110

Vollmar Bros. Constr. Co.
711 North Grand Boulevard
St. Louis, Missouri 63103

Weber, Fred, Inc. Constr. Divn.
7929 Alabama Avenue
St. Louis, Missouri 63111

Wefelmeyer Constr. Co.
672 Office Parkway
St. Louis, Missouri 63141

Westlake Constr. Co.
1730 Railway Exchange Bldg.
St. Louis, Missouri 63101

Wilson, S. M. & Co.
P.O. Box 130
(1616 Cleveland Avenue)
Granite City, Illinois 62040

Woermann Constr. Co.
7120 Manchester Avenue
St. Louis, Missouri 63143

Wright, Robert R., Inc.
10825 Midwest Ind. Blvd.
St. Louis, Missouri 63132

Zavodnick Constr. Co., Inc.
1937 Alert Drive
St. Louis, Missouri 63114

Ahal Contracting Company, Inc.
11345 Hammack Drive
Bridgeton, Missouri 63044

Asphaltic Concrete Corporation
6908 Heege Road
St. Louis, Missouri 63123

Ceco Corp., The
8310 Eager Road
St. Louis, Missouri 63144

Coleman, John J., Inc.
11827 Dorsett Road
Hazelwood, Missouri 63042

Cox & Hunter Company
310 South Fillmore
St. Louis, Missouri 63122

Kraft & Associates Company
8050 Watson Road, Suite 333
St. Louis, Missouri 63119

Link, Roger L., Inc.
9741 Gravois Avenue
St. Louis, Missouri 63123

Patent Scaffolding Company
(Division Harsco Corp.)
1492 Kin-Ark Court
St. Louis, Missouri 63132

Sansone, C. Concrete Contrs., Inc.
1560 Fairview Avenue
St. Louis, Missouri 63132

Service Rentals Company
8601 New Hampshire
St. Louis, Missouri 63123

Trowel Contracting Company, Inc.
6611 Clayton Road
St. Louis, Missouri 63117

Vee-Jay Cement Contracting Company, Inc.
8053 Chivvis Drive
St. Louis, Missouri 63123

Waterhout Construction Co., Inc.
Suite 103 Universal Building
7376 Clayton Road
St. Louis, Missouri 63117

Zumwalt Corporation
1617 Lafayette Avenue
St. Louis, Missouri 63104

The addresses of the members of the Associated Builders and Contractors, Inc. are as follows:

Acme Concrete Corporation
Salem Street—Route 62
Wilmington, Mass. 01887

Adjac Corporation
862 Beacon Street
Boston, Mass. 02215

Anco Remodeling Co.
P.O. Box 476
Methuen, Mass. 01844

Archibald-Shephard Bldrs Inc.
190 Washington Street
Dorchester, Mass. 02121

Associated Erectors Inc.
4 Industrial Drive
South Hadley, Mass. 01075

Astracon Corporation
10 Cottage Street
Norwood, Mass. 02062

A. M. Balzarini Inc.
3 Sandy Bay Terrace
Rockport, Mass. 01966

C. A. Barletta Inc.
110 Harvard Street, P.O. Box 447
Dedham, Mass. 02026

Beaver Builders Inc.
35 Border Street
West Newton, Mass. 02165

Beaver Corporation
926 Eastern Avenue
Malden, Mass. 02148

Bella Construction Corporation
P.O. Box 355
Wrentham, Mass. 02093

Beta Construction Corporation
240 Turnpike Street
Canton, Mass. 02021

Beverly Construction Corporation
65 Federal Street
Beverly, Mass. 01915

Bick-Com Corporation
1140 Saratoga Street
East Boston, Mass. 02128

G. Bonazzoli & Sons Const. Co.
173 Washington Street
Hudson, Mass. 01749

Bowdoin Construction Corporation
Two Center Plaza
Boston, Mass. 02108

Bratko Corporation
47 River Street
Wellesley, Mass. 02181

Brian Constr. & Devel. Co., Inc.
214 Garden Street, P.O. Box 99
Needham, Mass. 02192

C. J. & Sons
94 Sackett Road
Westfield, Mass. 01085

Cape Cod Ready Mix Concrete Co.
Orleans, Mass. 02653

Capitol Contracting Corporation
817 Washington Street
Braintree, Mass. 02184

The J. Carr Corporation
1420 Providence Highway
Norwood, Mass. 02062

CBX Development Corporation
Box 644
Leominster, Mass. 01453

Chouinard Construction Corporation
204 Riverside Park, Riverside Road
Weston, Mass. 02193

E. A. Comeau, Inc.
144 Sudbury Road
Concord, Mass. 01742

Command Construction Inc.
P.O. Box 227
Ipswich, Mass. 01938

Constructives, Inc.
20 Grove Street
Arlington, Mass. 02174

Cornhill Construction Co.
One Washington Mall
Boston, Mass. 02108

Corr Construction Corporation
376 River Street
W. Springfield, Mass. 01089

Roger Couillard Drywall Inc.
460 Mammoth Road
Dracut, Mass. 01826

County Concrete Corporation
P.O. Box 1406
Pittsfield, Mass. 01201

Craig Construction Corporation
15 Craig Road, P.O. Box 372
Acton, Mass. 01720

John B. Cruz Construction Co.
10 Fairway Street
Mattapan, Mass. 02126

Custance Brothers, Inc.
68 Bedford Street
Lexington, Mass. 02173

Cutler Associates
P.O. Box 117
Worcester, Mass. 01613

A. D'Alessandro & Sons, Inc.
174 Milton Street, Box B
Dedham, Mass. 02026

Eastern Builders, Inc.
425 Watertown Street
Newton, Mass. 02157

Elgin Associates
25 Grant Street
Waltham, Mass. 02154

H. A. Fafard & Sons Const., Inc.
100 Plain Street
Hopedale, Mass. 01747

Falmouth Concrete & Building Supplies Inc.
89 Spring Bars Road
Falmouth, Mass. 02540

Falmouth Ready Mix
P.O. Box 267
Teaticket, Mass. 02536

J. Fandel's Sons, Inc.
7 (rear) Independence Ave.
Braintree, Mass. 02184

Ferguson Enterprises, Inc.
254 Center Street
Pembroke, Mass. 02359

Fin-Con Engineering Corporation
Walker Road
Shirley, Mass. 01464

First Chapter Development Corporation
163 Highland Avenue
Needham Heights, Mass. 02194

Fitzmaurice Construction Company
269 Ballardvale Street
Wilmington, Mass. 01887

Fleurent Construction Company
86 Huttleston Ave.
Fairhaven, Mass. 02719

Forish Construction Co., Inc.
Mainline Industrial Park
Westfield, Mass. 01085

Friendly Masons Corporation
30 Prince Street
Boston, Mass. 02113

R. J. Gabriel Construction Co.
785 Bedford Street
Bridgewater, Mass. 02324

Gannett Corporation
P. O. Box 74
No. Scituate, Mass. 02062

Gen-Wal Construction Company, Inc.
Dilla Street
Milford, Mass. 01757

Gifford Brothers Construction Co.
Bull Hill Road
So. Lancaster, Mass. 01561

Edward Gill Company
138 Plain Drive
Stoughton, Mass. 02072

P. Gioioso & Sons, Inc.
38 Robinson Street
Dorchester, Mass. 02122

Grant Construction Co. of R.I.
Route #6
Seekonk, Mass. 02771

Grant's Asphalt Paving
Morse Street
Westboro, Mass. 01581

Gurnet Builders, Inc.
230 Gardner Street
Hingham, Mass. 02043

H. J. P. Construction Co., Inc.
1330 Boylston Street
Chestnut Hill, Mass. 02167

C. Arnold Haynes, Inc.
44 Washington Street
Wellesley Hills, Mass. 02181

L. H. Hewett, Inc.
P.O. Box 205
Saxonville, Mass. 01701

Hobbs Building Corporation
440 Turnpike Street
Canton, Mass. 02021

Homar, Inc.
P.O. Box 199
East Acton, Mass. 01720

H. M. Horton Company
28 Gould Street
Walpole, Mass. 02081

Willard Howland, Inc.
One Clark Street
Southampton, Mass. 01073

Hundreds Corporation
P.O. Box 237
Wellesley Hills, Mass. 02181

Hydro-Dredge Corporation
P.O. Box 691 Gifford Street
Falmouth, Mass. 02540

F. J. Kane & Sons
560 Main Street
Hudson, Mass. 01749

William Kellar, Inc.
19 Harrison Street
Framingham, Mass. 01701

Kosow Construction Corporation
P.O. Box 2029
Framingham, Mass. 01701

Kris Corporation
152 East Street
Foxboro, Mass. 02035

K–S, Inc.
64 Commercial Wharf
Boston, Mass. 02110

Lakeville Redi-Mix
Purchase Street
Middleboro, Mass. 02346

Lamont Associates
1105 Washington Street
W. Newton, Mass. 02165

Leo's Concrete Service, Inc.
652 Prospect Street
Chicopee, Mass. 01020

Liberty Contractors Co., Inc.
P.O. Box 64, Hanover St. Station
Boston, Mass. 02113

David Lilly Construction Co., Inc.
888 Washington Street
Dedham, Mass. 02026

W. Lodge Construction, Inc.
P.O. Box 51
Hingham, Mass. 02043

Longstreet Construction Corp.
P.O. Box 214
Topsfield, Mass. 01983

L & R Construction Company
84 Main Street
North Reading, Mass. 01864

The Lucente Construction Corp.
78 School Street
Hopkinton, Mass. 01748

The Luther Corporation
15 Reardon Road
Medford, Mass. 02155

Madore Engineering Co., Inc.
40 West, P.O. Box H
Southbridge, Mass. 01550

Warren E. Manet Company, Inc.
130 Walnut Street
Saugus, Mass. 01906

Dan C. Marino, Inc.
Box 89, East Lynn Station
Lynn, Mass. 01904

The Martco Corporation
53 State Street
Boston, Mass. 02109

Martin Construction Co., Inc.
151 Sconticut Neck Road
Fairhaven, Mass. 02719

Martin Masonry Company, Inc.
41 Wamsutta Avenue
Waltham, Mass. 02154

Richard Martin Development Co.
203 Willow Street
South Hamilton, Mass. 01982

Maurano Construction, Inc.
77 Viden Road
Quincy, Mass. 02169

Maurice Concrete Products, Inc.
Haverhill Road
Amesbury, Mass. 01913

McCann Steel Building Co., Inc.
85 Moore Road, Weymouth Ind. Park
Weymouth, Mass. 02189

Merrimack Valley Bldrs. & Erectors
3 Washington Square
Haverhill, Mass. 01830

Minton Construction Corporation
46 First Street
Cambridge, Mass. 02141

Minute Man Ready Mix, Inc.
Tanzio Road
Leominster, Mass. 01453

Mishara Construction Co., Inc.
Rear 212 North Main Street
Natick, Mass. 01760

Modern Continental Constr. Corr
905 Main Street
Cambridge, Mass. 02139

N & P Construction Company
19 St. Catherine Street
Norwood, Mass. 02062

Nemasket Construction Co.
P.O. Box 296
Middleboro, Mass. 02346

Nu-Wall Partition Co., Inc.
P.O. Box 354
Fitchburg, Mass. 01420

Package Construction, Inc.
Box 306, 4 Quinsigamond Avenue
Worcester, Mass. 01613

Paragon Construction Co., Inc.
P.O. Box 513—6 Dunlap Road
Attleboro, Mass. 02703

Parekh Construction, Inc.
11 North Gate Road
Chelmsford, Mass. 01824

Pearson Systems, Inc.
686 Union Street
W. Springfield, Mass. 01089

J. George Picard & Sons, Inc.
3 Pevy Street
Lowell, Mass. 01854

Gilles Picard—Subcontractor
135 Mooreland Street
Springfield, Mass. 01104

Pier Construction Corporation
232 Falulah Road
Fitchburg, Mass. 01420

Donald J. Pilon Construction Co.
74 Birnie Avenue
Springfield, Mass. 01107

Plymouth Construction Corporation
80 Brook Street
Plympton, Mass. 02367

M. G. Poulin Construction Co., Inc.
Kendall Hill Road
Sterling Junction, Mass. 01565

Precast Erectors, Inc.
476 Statler Office Building
Boston, Mass. 02116

Pre-Design Building Systems, Inc.
91 Mill Street
Springfield, Mass. 01108

Pre-Design Buildings Company
10 Cottage Street
Norwood, Mass. 02062

William Roan & Company
36 N. Washington Street
No. Attleboro, Mass. 02760

Mr. Gerard Robidoux
102 Marsden Street
Springfield, Mass. 01109

Rowley Ready Mix, Inc.
84 Central Street
Rowley, Mass. 01969

R. S. Masonry Co., Inc.
17 Everett Street, Medford Branch
Boston, Mass. 02155

Sasso Construction Company
26 Waite Court
Malden, Mass. 02148

Arthur Schofield, Inc.
265 Old Connecticut Path
Wayland, Mass. 01778

Sears & Schofield Contracting Co.
80 Union Avenue
Sudbury, Mass. 01776

Sharon Contracting, Inc.
174 West Main Street
Georgetown, Mass. 01833

Frank J. Shields, Inc.
P.O. Box 302, 115 Central Street
Southbridge, Mass. 01550

Southern Mass Builders, Inc.
151 Providence Highway
Norwood, Mass. 02062

Space Metal Buildings
250 Cape Highway, Rte 44
East Taunton, Mass. 02718

Spruce Corporation
180 Armistice Blvd.
Pawtucket, R.I. 02860

R. L. Spencer Construction Co., Inc.
600 Main Street
Waltham, Mass. 02154

Steel Structures, Inc.
10 Industrial Park Road
South Hingham, Mass. 02043

P. J. Stella Construction Corp.
7 Lincoln Street
Wakefield, Mass 01880

B. Stone Construction Co., Inc.
30 Boston Post Road
Wayland, Mass. 01778

Structural Concrete Company
P.O. Box 27
Burlington, Mass. 01803

Sturdy Oak Homes, Inc.
26 Cummins Highway
Roslindale, Mass. 02131

Summit Associates of Swampscott
1000 Paradise Road
Swampscott, Mass. 01907

Frank Tarzia & Sons, Inc.
276 East Street
Hingham, Mass. 02043

Thermo Engineering, Inc.
13 Mason Street
Worcester, Mass. 01609

Towne, Inc.
13 on Essex
Marblehead, Mass. 01945

Vincent & Williams, Inc.
Box 409
Greenfield, Mass. 01301

Stephen S. Vlachos & Assoc., Inc.
10 Whiting Street
Hingham, Mass. 02043

Warner Brothers, Inc.
Main Street
Sunderland, Mass. 01375

Wellesley Corporation
318 Weston Road
Wellesley, Mass. 02181

Norman K. White Construction Co.
84 Sherman Street
Cambridge, Mass. 02140

Winston Builders Corporation
P.O. Box 486
Westboro, Mass. 01581

Wolverine Contractors, Inc.
Box 307
Feeding Hills, Mass 01030

The addresses of the places of employment that will be affected by the application of the Associated General Contractors of St. Louis are all building construction projects of their member companies located within Missouri and Illinois.

The addresses of the places of employment that will be affected by the application of the Associated Builders and Contractors, Inc. are all building construction projects of their member companies, located within Massachusetts.

The applicants certify that employees who would be affected by the variances have been notified of the application by giving a copy of it to their authorized employee representatives, where appropriate, and by posting a copy at all places where notices to employes are normally posted. Employees have also been informed of their right to petition the Assistant Secretary for a hearing.

Regarding the merits of the applications, the applicants contend that they would be providing places of employment as safe as that required by 29 CFR 1910.154(d) which prohibits the use of solid fuel salamanders in buildings or on scaffolds.

The applicants state that a heating device is needed in temperautres below 50° F in order that the concrete be properly cured. The applicants also state that its suppliers are unable to guarantee an adequate supply of propane fuel during the coming winter months. Therefore, the applicants request a variance to allow the use of coal or coke-fired salamanders in accordance with ANSI A10.10–1970 pp. 4 and the following conditions:

(a) *Coverage.* Solid fuel salamanders may be used only as temporary heating devices for the curing of concrete in the construction of multistoried fireproof structures.

(b) *General requirements.* (1) All solid fuel salamanders shall be designed and constructed for use with solid fuel, that is, coal or coke.

(2) Solid fuel salamanders shall be equipped with a cover designed as part of the unit, to prevent spillage of burning material in case of tipover.

(3) Salamanders shall be assembled in accordance with the instructions issued by the manufacturer.

(4) The safeguards engineered into the product shall be maintained and any replacement shall be equivalent thereto.

(5) Salamanders shall be stored in such a manner as to prevent deterioration or damage to the unit.

(c) *Operation.* (1) Manufacturers' instructions shall be followed by the user.

(2) Each time a salamander is placed in operation it shall be checked to insure that it is functioning properly. Its operation shall be checked periodically thereafter.

(3) When concentrations of carbon monoxide attain quantities greater than 50 parts per million (0.005 percent) to

air volume at employee breathing levels the salamander shall be extinguished, unless additional natural or mechanical ventilation is provided to reduce the carbon monoxide content to permissible limits.

(4) Tests for presence of carbon monoxide shall be made by a qualified person within 1 hour after the start of each shift and at least every 3 hours thereafter. If concentrations of carbon monoxide reach 30 parts per million to air volume, tests shall be made more frequently to determine if there is a continuing increase of carbon monoxide concentration.

(5) Records of all tests, including the date, time, results obtained, and person making tests, shall be maintained.

(6) No persons shall be permitted to be within the area being heated by the salamanders except under the following circumstances: When tending the salamanders; when testing the atmosphere; or in emergency situations.

(7) No employee shall be permitted to enter the heated area until notification is given to another person located outside. Periodic checks shall be made to insure the health and safety of employees entering the heated area.

(8) When a salamander is being used, the responsibility for its operation and maintenance shall be assigned to a qualified employee.

(9) Salamanders shall not be moved, handled, or serviced while hot or burning, or while component parts are hot to the touch.

(10) Salamanders, when in use, shall be set level with the horizontal unless otherwise permitted by the manufacturer's markings. Salamanders shall be designed so as not to tip over when placed on a surface inclined 25° to the horizontal.

(11) If equivalent protection and safety is afforded by alternative design, the 25° limitation may be reduced.

(12) Salamanders not suitable for use on wood floors shall not be set directly upon them or other combustible materials. When such salamanders are used they shall rest on suitable heat insulating material or at least 1-inch concrete or equivalent. The insulating material shall extend beyond the salamander 2 feet or more in all directions.

(13) Salamanders used in the vicinity of tarpaulins, canvas, or similar coverings shall be located a safe distance from coverings and other combustible materials. The coverings shall be securely fastened to prevent ignition of the covering or upsetting of the salamanders due to wind action on the covering or other material.

(14) Salamanders in use shall be protected to prevent flame extinguishment.

(d) *Ventilation.* (1) Fresh air shall be supplied in sufficient quantities to maintain the health and safety of employees. Where natural means for fresh air supply is inadequate, mechanical ventilation shall be provided. Particular attention shall be given to confined spaces and pockets where heat and fumes may accumulate and employees may be present (roof areas, peaks, basement).

(2) When salamanders are used in confined spaces, special care shall be taken to provide sufficient ventilation in order to assure proper combustion, maintain the health and safety of employees, and limit temperature rise in the area.

(e) *Fueling.* (1) Salamanders shall be refueled only by a person trained in such operations.

(2) Only a 1 day's supply of heater fuel shall be stored inside a building in the vicinity of the salamander. General fuel storage shall be outside the structure.

(3) All fuel storage shall be maintained a minimum of 25 feet from source of ignition.

(f) Maintenance.

(1) The user shall comply with the maintenance instructions as provided by the manufacturer.

(2) Equipment showing evidence of deterioration or damage that constitutes a safety or health hazard shall be removed from service.

(3) Salamander repairs shall be performed in accordance with the manufacturer's recommendations, and replacement parts shall be equal to, the equivalent of, or the same as the original salamander equipment.

A copy of the application will be made available for inspection and copying upon request at the Office of Compliance Programming, U.S. Department of Labor, 1726 M Street NW., Room 526, Washington, D.C. 20210, and at the following Regional and Area Offices:

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

U.S. Department of Labor
Occupational Safety and Health Administration
911 Walnut Street
Room 3000
Kansas City, Missouri 64106

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

U.S. Department of Labor
Occupational Safety and Health Administration
Custom House Bldg., State Street
Boston, Massachusetts 02109

U.S. Department of Labor
Occupational Safety and Health Administration
U.S. Post Office & Courthouse Bldg.
436 Dwight Street, Room 504
Springfield, Massachusetts 01103

U.S. Department of Labor
Occupational Safety and Health Administration
300 South Wacker Drive, Room 1200
Chicago, Illinois 60606

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

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

All interested persons, including employers and employees, who believe they would be affected by the grant or denial of the application for a variance are invited to submit written data, views and arguments relating to the pertinent application no later than May 13, 1974. In addition, employers and employees who believe they would be affected by a grant or denial of the variance may request a hearing on the application no later than May 13, 1974, in conformity with the requirements of 29 CFR 1905.15. Submission of written comments and requests for a hearing should be in quadruplicate, and must be addressed to the Office of Compliance Programming at the above address.

II. *Interim Order.* It appears from the applications for a variance and interim order, and supporting data, filed by the Associated General Contractors of St. Louis and Associated Builders and Contractors, Inc. that by using solid fuel salamanders the applicants' member companies could provide employment and places of employment as safe and healthful as those which would prevail if they were to use liquid fuel salamanders. It further appears from the applications, that an interim order is necessary to prevent undue hardships to the affected employers and employees and to prevent unnecessary interruptions of the employers' operations in the coming winter months. Therefore, it is ordered, pursuant to the authority in section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970, 29 CFR 1926.2, and 29 CFR 1905.-11(c) that the member companies of the Associated General Contractors of St. Louis and Associated Builders and Contractors, Inc. which are named above, be, and they are hereby, authorized to use solid fuel salamanders, while following the conditions listed in their application, at their respective jobsites in Missouri, Illinois, and Massachusetts notwithstanding the prohibition in 29 CFR 1926.154(d).

Every member company of the Associated General Contractors of St. Louis and Associated Builders and Contractors, Inc. listed above, shall give notice of this interim order to its affected employees by the same means required to be used to inform them of the application for the variance.

Effective date. This interim order shall be effective as of April 11, 1974, and shall remain in effect until a decision is rendered on the application for a variance.

Signed at Washington, D.C., this 7th day of April 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-8326 Filed 4-10-74;8:45 am]

[V-73-19]

BEAR BRAND HOSIERY COMPANY

Grant of Variance

I. *Background.* Bear Brand Hosiery Company, 205 W. Monroe Street, Chicago, Illinois 60606 made application pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596; (29 U.S.C. 655)), and 29 CFR 1905.11 for a variance from the safety standard prescribed in 29 CFR 1910.219(f)(3). The standard requires that all chains and sprocket wheels be enclosed unless they are more than seven feet above the floor or platform. Facilities affected by this application are:

Bear Brand Hosiery Company
Fayetteville, Arkansas

Bear Brand Hosiery Company
Bentonville, Arkansas

Bear Brand Hosiery Company
Rogers, Arkansas

Bear Brand Hosiery Company
Siloam Springs, Arkansas

Notice of the application for variance was published in the FEDERAL REGISTER on August 23, 1973 (38 FR 22681). The notice invited interested persons, including affected employers and employees to submit written data, views and arguments regarding the grant or denial of the variance requested. In addition, affected employers and employees were notified of their right to request a hearing on the application for a variance. No written comments and no request for a hearing have been received.

II. *Facts.* The applicant has several Zodiac Knitting Machines which have an unenclosed chain and sprocket arrangement. This chain performs a function similar to a timing chain, rather than a power transmission chain. The exposed portion of the chain is located at the back of the machine, while the employee's normal working position is at the front. There are times, however, when the employee must work at the back of the machine while the chain is in motion.

The applicant states that the sprocket and chain links are constructed of plastic; the tension at each chain sprocket is less than 10 pounds; and the maximum running speed of the chain is 1⅜ inches (or 2 links) per second. The applicant has also provided photographs to show that an employee's fingers may become lodged between the chain and sprocket with no harmful effect.

III. *Decision.* 29 CFR 1910.219(f)(3) requires that all sprocket wheels and chains shall be enclosed unless they are more than seven feet above the floor or platform. This is intended to protect the employees from being caught in the nip points or struck by a broken chain.

The slow rate at which the chain moves, the tension of less than 10 pounds and the light weight of the plastic make it unlikely that the chain will break. If it did, however, it would not whip with sufficient force to cause injury. In addition, it has been demonstrated that these factors make it possible for a hand or finger to be placed in the nip point without injury.

IV. *Order.* Pursuant to authority in section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970, 29 CFR Part 1905, and in Secretary of Labor's Order No. 12-71 (36 FR 8754), it is ordered, that Bear Brand Hosiery Company be, and it is hereby, authorized to continue to operate its Zodiac Knitting Machines while leaving the plastic chains and sprockets unguarded, provided that that the maximum running speed is 1⅜ inches per second and that the tension is less than 10 pounds at the sprocket, in lieu of complying with the requirements of 29 CFR 1910.219(f)(3).

As soon as possible, Bear Brand Hosiery Company shall give notice to affected employees of the terms of this order by same means required to be used to inform them of the application for variance.

Effective date. This order shall become effective on April 11, 1974, and shall remain in effect until modified or revoked in accordance with section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970.

Signed at Washington, D.C., this 4th day of April 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-8323 Filed 4-10-74;8:45 am]

[V-73-14]

ROHN MANUFACTURING

Grant of Variance

I. *Background.* Rohn Manufacturing, 6718 West Plank Road, P.O. Box 2000, Peoria, Illinois 61601 made application pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596; (29 U.S.C. 655)) and 29 CFR 1905.11 for a variance from the safety and health standards prescribed in 29 CFR 1910.23(c)(3). The standard requires that pickling and galvanizing tanks be guarded with a standard railing and toeboard. Notice of application for variance was published in the FEDERAL REGISTER on June 1, 1973 (38 FR 14445). The notice invited interested persons, including affected employers and employees, to submit written data, views, and arguments regarding the grant or denial of the variance requested. In addition, affected employers and employees were notified of their right to request a hearing on the application for a variance. No written comments and no request for a hearing have been received.

II. *Facts.* The applicant uses pickling and galvanizing tanks in its operation. The pickling tanks are of brick construction, built below floor level, with sides rising 40 inches above the floor. The tanks have ledges 24 inches wide. The liquid level is from 24 to 36 inches below the tops of the tanks. The galvanizing tanks are also built below floor level with sides 26 inches above the floor and ledges 31 inches wide. A standard guardrail would seriously interfere with moving the items into and out of the tanks, and with skimming the zinc.

III. *Decision.* 29 CFR 1910.23(c)(3) requires that regardless of height, open-sided floors, walkways, platforms or runways above or adjacent to dangerous equipment, pickling or galvanizing tanks, degreasing units and similar hazards shall be guarded with a standard railing and toeboard. This is intended to protect the employees against a fall into these particularly hazardous areas.

In the work situation described, the 40" and 26" tank sides prevent an employee from accidentally stepping into the tank. The ledge widths of 24" and 31" are sufficient to allow an employee to right himself if he should lose his balance and fall toward the tanks. The combination of side height and ledge width provides protection to employees equivalent to that provided by a standard 42" guardrail and toeboard.

IV. *Order.* Pursuant to authority in section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970, 29 CFR Part 1905, and in Secretary of Labor's Order No. 12-71 (36 FR 8754), it is ordered, that Rohn Manufacturing be, and it is hereby, authorized to continue its operation with pickling tanks having sides 40 inches high and ledges 24 inches wide, and galvanizing tanks having sides 26 inches high and ledges 31 inches wide, in lieu of the standard 42" guardrail required by 29 CFR 1910.23(c)(3).

As soon as possible, Rohn Manufacturing shall give notice to affected employees of the terms of this order by the same means required to be used to inform them of the application for variance.

Effective date. This order shall become effective on April 11, 1974, and shall remain in effect until modified or revoked in accordance with section 6(d)

of the Williams-Steiger Occupational Safety and Health Act of 1970.

Signed at Washington, D.C., this 5th day of April, 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-8325 Filed 4-10-74;8:45 am]

[V-74-22]

GENERAL ELECTRIC COMPANY

Application for Variance and Interim Order; Grant of Interim Order

I. *Notice of application.* Notice is hereby given that General Electric Company, Steam Turbine-Generator Products Division, One River Road, Schenectady, New York 12345 has made application pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596; (29 U.S.C. 655)), and 29 CFR 1905.11 for a variance and interim order pending a decision on the application for a variance, from the standards prescribed in 29 CFR 1910.27(c)(1), (2) and (d)(1)(v) regarding the clearance and special requirements of fixed ladders.

The address of the place of employment that will be affected by the application is as follows:

General Electric Company
Steam Turbine-Generator Products Division
One River Road
Schenectady, New York 12345

The applicant certifies that employees who would be affected by the variance have been notified of the application by giving a copy of it to their authorized employee representative, and by posting a copy at all places where notices to employees are normally posted. Employees have also been informed of their right to petition the Assistant Secretary for a hearing.

Regarding the merits of the application, the applicant contends that it is providing a place of employment as safe as that required by 29 CFR 1910.27(c)(1), (2) and (d)(1)(v). The General Electric Company uses a number of ladders to provide access to cranes at two different levels in Building 273. These ladders are commonly called crane access ladders.

29 CFR 1910.27(c)(1) and (2) require a clearance of at least 30 inches by 30 inches on the climbing side of a fixed ladder of 90° pitch. The applicant contends that it is not able to bring those crane access ladders in Building 273, Bays G3E, G18W, H9W, H18W, H23W, H31W, H35W, J25E, K1 and K18W within the specifications of 29 CFR 1910.27(c)(1) and (2) because of the angle gussets (braces) located at the point where the crane access ladders pass between the crane rails. The ladders can not be relocated because of the presence of the two support columns in each bay.

The applicant contends that the requirements are not met only at the point where the ladders pass between the crane rail foundation. At those locations, deflector plates wil be provided. The applicant states that these plates will not hinder the movement of personnel through the crane rail foundation area because the gussets and protecting deflectors are located in a corner position.

29 CFR 1910.27(d)(1)(v) requires at least a 27 inch climbing side clearance on caged ladders. The applicant states that it has caged all access ladders over 20 feet in length. However, these ladders must also pass through the crane rail foundation area and must be indented slightly to clear, and provide protection from, the angled gussets. The applicant contends that the slight irregularity of the cages will in no way hinder free movement through the cage.

A copy of the application will be made available for inspection and copying upon request at the Office of Compliance Programming, U.S. Department of Labor, 1726 M Street NW., Room 526, Washington, D.C. 20210, and at the following Regional and Area Offices:

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

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

All interested persons, including employers and employees, who believe they would be affected by the grant or denial of the application for a variance are invited to submit written data, views and arguments relating to the pertinent application no later than May 13, 1974. In addition, employers and employees who believe they would be affected by a grant or denial of the variance may request a hearing on the application no later than May 13, 1974, in conformity with the requirements of 29 CFR 1905.15. Submission of written comments and requests for a hearing should be in quadruplicate, and must be addressed to the Office of Compliance Programming at the above address.

II. *Interim order.* It appears from the application for a variance and interim order, that an interim order is necessary to prevent undue hardship to the applicant pending a decision on the application for a variance. Therefore, it is ordered, pursuant to authority in section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970, and 29 CFR 1905.11(c) that General Electric Company, Steam Turbine-Generator Products Division be, and is hereby, authorized to use those crane access ladders equipped with deflector plates at the angled gussets and to indent cages on access ladders at the point where said cages pass angled gussets in lieu of the requirements of 29 CFR 1910.27(c)(1), (2) and (d)(1)(v).

General Electric Company shall give notice of this interim order to employees affected thereby, by the same means required to be used to inform them of the application for a variance.

Effective date. This interim order shall be effective as of April 11, 1974, and shall remain in effect until a decision is rendered on the application for variance.

Signed at Washington, D.C., this 5th day of April 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-8324 Filed 4-10-74;8:45 am]

PACIFIC NORTHWEST REGIONAL MANPOWER ADVISORY COMMITTEE

Notice of Meeting

The Pacific Northwest Regional Manpower Advisory Committee will meet at the Arcade Plaza, Seattle, Washington, on May 2, 1974. Appointed by the Secretary of Labor, the Committee advises the Assistant Regional Director for Manpower and the Department of Health, Education, and Welfare's Regional Director on issues related to manpower programs authorized by the Manpower Development and Training Act and related legislation.

Members of the Committee are chosen from representatives of labor, management, agriculture, education, training, and the public at large from Region X. The Chairman is Dr. George B. Brain of Washington State University.

At the meeting on May 2, the Committee will review the final report of the National Manpower Advisory Committee, discuss the Comprehensive Employment and Training Act of 1973 (CETA), and the evolution and phase-out of the Cooperative Area Manpower Planning System (CAMPS) under the new CETA legislation.

The meeting will be held in Conference Room 1043A in the Arcade Plaza, starting at 9:30 a.m. and is expected to adjourn soon after 4 p.m. The meeting will be open to the public.

Signed at Seattle, Washington, this 5th day of April 1974.

JESS C. RAMAKER,
Assistant Regional Director for Manpower.

[FR Doc.74-8327 Filed 4-10-74;8:45 am]

INTERSTATE COMMERCE COMMISSION

[Notice No. 484]

ASSIGNMENT OF HEARINGS

APRIL 8, 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-C-7346, Gulf Transport Company, A Corporation—Investigation of Practices, now being assigned hearing June 3, 1974 (1 day), at Birmingham, Ala., in a hearing room to be later designated.

MC-99610 Sub 15, Ross Neely Express, Inc., now being assigned hearing June 4, 1974 (1 day), at Birmingham, Ala., in a hearing room to be later designated.

MC-138870 Sub 1, Mobile Truck Control, Inc., now being assigned hearing June 5, 1974 (3 days), at Birmingham, Ala., in a hearing room to be later designated.

MC-126305 Sub 52, Boyd Brothers Transportation Co., Inc., now being assigned June 10, 1974 (2 days), at Birmingham, Ala., in a hearing room to be later designated.

MC-C-8033, Baggett Transportation Company V. Dowda Motor Freight Inc., Et al., now being assigned hearing June 12, 1974 (1 week), at Birmingham, Ala., in a hearing room to be later designated.

MC 32779 Sub-9, Silver Eagle Company, now assigned June 17, 1974, at *Olympia, Washington*, is cancelled and reassigned June 17, 1974, at *Portland, Oregon*, in a hearing room to be later designated.

MC 138255 Sub 3, Herschel A. Wimmer and Charles T. Hacker, Dba Dayton Air Freight, now assigned May 13, 1974 MC-F-12001, Interstate Motor Freight System—Purchase (Portion)—Great Lakes Express Co., now assigned May 15, 1974, MC 51018 Sub 9, The Besl Transfer Company and MC 60014 Sub 33, Aero Trucking, Inc., now assigned May 20, 1974, at Columbus, Ohio, will be held in Room 235 Federal Bldg., 85 Marconi Blvd.

Valuation Docket No. 1423, (1971 Report), Williams Brothers Pipeline Company, now assigned pre-hearing conference April 16, 1974, at Washington, D.C., is postponed to May 15, 1974, for pre-hearing conference, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC-F-11626, Eastern Freight Ways, Inc.—Investigation of Control—Associated Transport, Inc., and MC-F-11632, Eastern Freight Ways, Inc.—Control—Associated Transport, Inc., now assigned April 15, 1974, at Washington, D.C., postponed to May 13, 1974, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 107515 Sub 869, Refrigerated Transport Co., Inc., now assigned May 6, 1973, will be held in Room 412, Federal Office Bldg., 500 Zack Street, Tampa, Fla.

MC 25789 Sub 244, Clay Hyder Trucking Lines, Inc., now assigned May 8, 1974, will be held in Room 412, Federal Office Bldg., 500 Zack St., Tampa, Fla.

MC 107107 Sub 430, Alterman Transport Lines, Inc., now assigned May 13, 1974, will be held in the Room of the International Inn, 4800 Kennedy Blvd., Tampa, Fla.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8359 Filed 4-10-74;8:45 am]

DISCLOSURE OF TACKING IN MOTOR CARRIER APPLICATIONS

APRIL 5, 1974.

The Interstate Commerce Commission desires to call to the attention of all applicants for motor common carrier irregular-route operating authority and their representatives that the disclosure of tacking possibilities as required by the July 1972 revisions of the permanent authority application form, From OP-OR-9, is no longer pertinent pursuant to the Commission's order entered February 15, 1974 in Gateway Elimination, 119 M.C.C. 530, served February 25, 1974. Those regulations are now codified at 49 CFR 1065.

Effective April 5, 1974, the tacking or joinder of irregular-route motor common carrier certificates is prohibited except on movements of 300 miles or less, or where the certificated authorities specifically authorize such tacking or joinder.

In all applications seeking motor common carrier irregular-route operating authority and filed before the Interstate Commerce Commission after November 23, 1973, tacking or joinder disclosure should be indicated only if such tacking or joinder is intended and specifically sought within the request for operating authority. In the event the applicant intends to tack or join, the application requires the applicant to attach pertinent portions of the authority now held or pending which would be involved in the tacking and to indicate the points to be served.

Tacking disclosures in those applications pending before this Commission and filed between November 23, 1973, and April 5, 1974 (exclusive), will not be considered as requests for operating authority unless (1) the applicant specifically requests such, or (2) the applicant provides the necessary evidence to meet the motor common carrier standards for extension of operating authorities. Future FEDERAL REGISTER notices of application filings will make no reference to tacking or joinder unless the applicant specifically indicates its intention to tack and provides the supportive documents or materials described in the paragraph next above.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8364 Filed 4-10-74;8:45 am]

[No. Ex Parte MC 43 (Sub-No. 3)]

LEASE TO REGULATED MOTOR CARRIERS OF VEHICLES WITH DRIVERS BY PRIVATE CARRIERS

APRIL 8, 1974.

Notice to all parties: At the request of John C. White, Executive Vice President of Private Truck Council of America, Inc., the time for filing comments in this proceeding has been extended from April 15, 1974, to May 15, 1974.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8362 Filed 4-10-74;8:45 am]

[Notice No. 58]

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 May 1, 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-74959. By order of April 4, 1974, the Motor Carrier Board approved the transfer to Trucking Service, Inc., Carlinville, Ill., of the operating rights in Certificates Nos. MC-128837 and MC-128837 (Sub-No. 1), issued August 1, 1967, and September 27, 1971, to Howard K. Smith, Greenville, Ill., authorizing the transportation of lumnite cement, powdered silica sand, and crude fire clay, from named points in Indiana, Illinois, Kentucky, and South Carolina to named points in Missouri. Robert T. Lawley, 300 Reisch Building, Springfield, Ill. 62701, Attorney for applicants.

No. MC-FC-74998. By order of April 3, 1974, the Motor Carrier Board approved the transfer to Chas. Wood & Son Moving, Inc., Brooklyn, N.Y., of the operating rights in Certificate No. MC-22465 issued October 5, 1955, to Clifford A. Wood, doing business as Charles D. Wood & Son, Jamaica, N.Y., authorizing the transportation of household goods, between New York, N.Y., on the one hand, and, on the other, points in Connecticut, New Jersey, New York, and Pennsylvania. Arthur J. Piken, One Lefrak City Plaza, Flushing, N.Y. 11368, Attorney for applicants.

No. MC-FC-74999. By order of April 3, 1974, the Motor Carrier Board approved the transfer to Bayside Vans, Inc., New Hyde Park, N.Y., of the operating rights in Certificate No. MC-74979 issued April 17, 1962, to Jack Singer Moving, Inc., Brooklyn, N.Y., authorizing the transportation of household goods between New York, N.Y., on the one hand, and, on the other, points in Connecticut, New Jersey, and Pennsylvania. Arthur J. Piken, One Lefrak City Plaza, Flushing, N.Y. 11368, Attorney for applicants.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8361 Filed 4-10-74;8:45 am]

[Notice No. 59]

MOTOR CARRIER TRANSFER PROCEEDINGS

APRIL 8, 1974.

Application filed for temporary authority under section 210a(b) in connection with transfer application under section 212(b) and transfer rules, 49 CFR Part 1132:

No. MC-FC-75072. By application filed April 2, 1974, DENNY TRUCK LINES, INC., 893 Ridge Road, Webster, NY 14580, seeks temporary authority to lease the operating rights of STEVENS TRUCK LINES, INC., INTERNATIONAL REVENUE SERVICE SUCCESSOR IN INTEREST, 893 Ridge Road, Webster, NY 14580, under section 210a(b). The transfer to DENNY TRUCK LINES, INC., of the operating rights of STEVENS TRUCK LINES, INC. (INTERNAL REVENUE SERVICE SUCCESSOR IN INTEREST), is presently pending.

By the Commission.

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

[FR Doc.74-8360 Filed 4-10-74;8:45 am]

[Ex parte No. 293 Sub 1]

NORTHEASTERN RAILROAD INVESTIGATION

Rail Services Planning Office Hearings

APRIL 5, 1974.

Present: George M. Chandler, Director Rail Services Planning Office, to whom the above-entitled proceeding has been referred pursuant to section 205 of the Regional Rail Reorganization Act of 1973.

Pursuant to section 205(d)(1) of the Rail Reorganization Act of 1973, notice is hereby given that the Rail Services Planning Office will conduct a hearing on Friday, May 17, 1974, in Altoona, Pennsylvania, at Roosevelt Junior High School, 7th Avenue and 15th Street, Altoona, Pennsylvania.

The hearing will commence at 9:30 a.m. An evening session, commencing at 7:00 p.m., will be held, if necessary, for the convenience of persons unable to attend during the day. An additional session on Saturday, May 18, 1974, may be held at the discretion of the Hearing Officer.

Persons interested in speaking at the hearing should contact the Office of Congressman Bud Shuster, Penn-Alto Hotel, Altoona, Pennsylvania 16601. Phone: (814) 946-1653.

The following uniform rules, procedures and practices for the hearing are established:

(1) All oral presentations will be limited to 10 minutes. Appearance times can only be obtained prior to the hearing by contacting the designated contact person for each city on a first-come, first-served basis. Persons waiting until the hearing commences to seek an opportunity to speak will be given the next available time on a first-come, first-served basis. Any person, whether appearing at the hearing or not, may supply for the record any written materials and exhibits by no later than May 31, 1974. All written materials for the record must be on 8½" x 11" paper and submitted in 10 copies.

(2) Persons requesting an appearance time will be asked: their name, address, telephone number, for whom they work, whether they are representing a group, to indicate whether or not they wish assistance from the Office of Public Counsel. If assistance is requested, an attorney from the Office of Public Counsel will contact the party prior to the hearing.

(3) The proceeding is legislative, not judicial in nature. It is designed to elicit as many public views as possible on present and future rail service needs in the region. Witnesses will not be required to testify under oath, and there will be no cross-examination or rebuttal testimony. Only questions from the presiding officer and the representatives of the Office of Public Counsel will be permitted.

(4) One purpose of the hearing is to inform the public of the pendency of the statutory restructuring plan, and of the opportunities for public participation. Therefore, the usual Interstate Commerce Commission limitations on radio and television news coverage during the hearing will be relaxed. The presiding officer will permit live news coverage in the hearing room, provided that the conduct of the media representatives and the presence of radio and television equipment do not disturb the orderly conduct of the proceeding. The customary rules of the Commission prohibiting smoking and talking during the hearing will apply.

(5) Written testimony or correspondence which is not submitted at the hearing should be mailed, identified as Altoona hearing, directly to:

Rail Services Planning Office
1900 L Street, NW.,
Washington, D.C. 20036
(202) 254-3900

Issued in Washington, D.C. this 3rd day of April, 1974.

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

[FR Doc. 74-8363 Filed 4-10-74; 8:45 am]

[Notice No. 50]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

APRIL 5, 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 59640 (Sub-No. 39 TA), filed March 28, 1974. Applicant: PAULS TRUCKING CORPORATION, 3 Commerce Drive, Cranford, N.J. 07016. Applicant's representative: Charles J. Williams, 47 Lincoln Park, Newark, N.J. 07102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Prescription drugs and medicines*, between the facilities of Supermarkets General Corporation at Cranford and Edison, N.J., on the one hand, and, on the other, Baltimore, Md., and points in New Jersey, New York, Connecticut, Massachusetts, Pennsylvania, and Delaware, under a continuing contract or contracts with Supermarkets General Corporation, for 180 days. SUPPORTING SHIPPER: Supermarkets General Corporation, 301 Blair Road, Woodbridge, N.J. 07095 SEND PROTESTS TO: District Supervisor Robert E. Johnston, Bureau of Operations, Interstate Commerce Commission, 9 Clinton St., Newark, N.J. 07102.

No. MC 77972 (Sub-No. 24 TA), filed March 22, 1974, Applicant: MERCHANTS TRUCK LINE, INC., P.O. Box 908, 100 Summer St., New Albany, Miss. 38652. Applicant's representative: Donald B. Morrison, 717 Deposit Guaranty Bank Bldg. (P.O. Box 22628), Jackson, Miss. 39205. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except articles of unusual value, household goods, Classes A and B explosives, commodities in bulk, and commodities requiring special equipment), serving the facilities of American Colloid Company at or near White Springs, Miss., as an off-route point in connection with applicant's regular routes to and from Amory, Miss., and Memphis, Tenn., applicant intends to interline with other carriers at all points of common service including Memphis, Tenn., and Meridian and Hattieburg, Miss., for 180 days. SUPPORTING SHIPPER: American Colloid Company, P.O. Box 228, Skokie, Ill. 60076. SEND PROTESTS TO: Floyd A. Johnson, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 435 Federal Office Building, 167 North Main Street, Memphis, Tenn. 38103.

No. MC 107496 (Sub-No. 946 TA), filed March 19, 1974 .Applicant: RUAN

TRANSPORT CORPORATION, Third and Keosauqua Way, Des Moines, Iowa 50309. Applicant's representative: E. Check (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle over irregular routes, transporting: *Fertilizer solutions*, in bulk in tank vehicles, from Athens, Ill., to points in Iowa, for 150 days. SUPPORTING SHIPPER: Thermogas, Inc., 4509 East 14th Street, Des Moines, Iowa 50333. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 111729 (Sub-No. 426 TA), filed March 29, 1974. 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: *Exposed and processed film and prints, complimentary replacement film, incidental dealer handling supplies, and advertising material* related thereto (excluding motion picture film used primarily for commercial theatre and television exhibition), (1) between Findlay, Ohio, and Fort Wayne, Ind.; and (2) between South Holland, Ill., and Menominee, Mich., for 90 days. SUPPORTING SHIPPERS: Eastman Kodak Company, 343 State Street, Rochester, N.Y. 14650; and Guardian Industries Corp., 17133 So. Wallace, South Holland, 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 115924 (Sub-No. 23 TA), filed March 29, 1974. Applicant: SUGAR TRANSPORT, INC., P. O. Box 4063, Port Wentworth, Ga. 31407. Applicant's representative: F. C. Williams, Jr. (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Citrus molasses distillers solubles*, in bulk, in tank vehicles, from Auburndale, Fla., to Port Wentworth, Ga., for 180 days. SUPPORTING SHIPPER: Savannah Foods & Industries, Inc., P. O. Box 339, Savannah, Ga. 31402. SEND PROTESTS TO: District Supervisor G. H. Fauss, Jr., Bureau of Operations, Interstate Commerce Commission, Box 35008, 400 W. Bay St., Jacksonville, Fla. 32202.

No. MC 117940 (Sub-No. 118 TA), filed March 27, 1974. Applicant: NATIONWIDE CARRIERS, INC., P. O. Box 104, Maple Plain, Minn. 55359. Applicant's representative: Donald L. Stern, Suite 530, Univac Building, 7100 West Center Road, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from the plantsites and facilities utilized by the Kitchens of Sara Lee located at or near Deerfield and Chicago, Ill., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia, and the District of Columbia, for 180 days. SUPPORTING SHIPPER: Kitchens of Sara Lee Corp., 500 S. Waukegan Road, Deerfield, Ill. 60015. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building & U.S. Court House, 110 S. 4th St., Minneapolis, Minn. 55401.

No. MC 119619 (Sub-No. 70 TA) (CORRECTION), filed March 11, 1974, published in the FR issue of March 28, 1974, and republished as corrected this issue. Applicant: DISTRIBUTORS SERVICE CO., 2000 West 43rd Street, Chicago, Ill. 60609. Applicant's representative: Arthur J. Piken, One Lefrak City Plaza, Flushing, N.Y. 11368.

NOTE.—The purpose of this republication is to add Rich Products Corp., P.O. Box 245, 1145 Nicaraga Street, Buffalo, N.Y. 14240, as another Supporting Shipper, which was omitted from the previous publication. The rest of the application remains the same.

SEND PROTESTS TO: District Supervisor Robert G. Anderson, Interstate Commerce Commission, Bureau of Operations, Everett McKinley Dirksen Building, 219 S. Dearborn Street, Room 1086, Chicago, Ill. 60604.

No. MC 119864 (Sub-No. 55 TA), filed March 26, 1974. Applicant: CRAIG TRANSPORTATION CO., 26699 Eckel Road, Perrysburg, Ohio 43551. Applicant's representative: Dale K. Craig (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Articles distributed or dealt in by food distributors or wholesale and retail grocers* (except commodities in bulk), from the plant site and facilities of Fostoria Distribution Services Company at or near Fostoria, Ohio, to points in Indiana, for 180 days. SUPPORTING SHIPPER: Fostoria Distribution Services Company, P.O. Box D, Fostoria, Ohio 44830. 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 124796 (Sub-No. 112 TA), filed March 28, 1974. Applicant: CONTINENTAL CONTRACT CARRIER CORP., 15045 E. Salt Lake Avenue, P.O. Box 1257, City of Industry, Calif. 91747. Applicant's representative: William J. Monheim (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Catalytic converter components for automotive smog control devices* for the account of Tenneco, Ind., from Devon, Pa.; Huntsville, Ala.; and Newark, N.J., to the plant site of Walker Mfg. Company Division of Tenneco, Inc., near Newark, Ohio, for 180 days. SUPPORTING SHIPPER: Tenneco, Inc., Walker Manufacturing Co., Division of Tenneco, Inc., Racine, Wis. 53402. SEND PROTESTS TO: Walter W. Strakosch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 7708, Federal Building, 300 North Los Angeles Street, Los Angeles, Calif. 90012.

No. MC 124854 (Sub-No. 15 TA), filed March 28, 1974. Applicant: GRIM BROS., TRUCKING CO., 997 Loucks Mill Road, York, Pa. 17402. Applicant's representative: Chester A. Zyblut, 1522 K Street NW., Washington, D.C. 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Firebrick and refractory products*, from York, Pa., to points in New York, West Virginia, and Hagerstown, and Lime Kiln, Md., for 180 days. SUPPORTING SHIPPER: Dolomite Brick Corporation of America, 232 East Market St., P.O. Box 2028, York, Pa. 17405. SEND PROTESTS TO: Robert P. Amerine, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 278 Federal Building, P.O. Box 869, Harrisburg, Pa. 17108.

No. MC 127047 (Sub-No. 18 TA), filed March 29, 1974. Applicant: ED RACETTE & SON, INC., 6021 North Broadway, Wichita, Kans. 67219. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Component parts for mobile homes and recreational vehicles*, from Newton, Kans., to Memphis, Tenn.; and (2) *materials and supplies* used in the manufacture of (1) above, from Fitzgerald, Ga., to Newton, Kans., for 180 days. SUPPORTING SHIPPER: Elixir Industries, 520 South Payton, Newton, Kans. SEND PROTESTS TO: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 501 Petroleum Building, Wichita, Kans. 67202.

No. MC 128030 (Sub-No. 62 TA), filed March 27, 1974. Applicant: THE STOUT TRUCKING COMPANY, INC., P.O. Box 177, R.R. #1, Urbana, Ill. 61801. Applicant's representative: R. C. Stout (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, in containers in T/L Minimum 44,000#, from Baltimore, Md., to points in Illinois, Indiana, and Wisconsin, for 180 days. SUPPORTING SHIPPER: Gordon B. Dickler, Director of Distribution, National Brewing Co., Inc., 225 N. Calvert St., Baltimore, Md. 21202. SEND PROTESTS TO: Robert G. Anderson, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Everett McKinley Dirksen Bldg., 219 S. Dearborn St., Room 1086, Chicago, Ill. 60604.

No. MC 133220 (Sub-No. 9 TA), filed March 20, 1974. Applicant: RECORD TRUCK LINE, INC., P.O. Box 2646, 709 Whitehall St., Jackson, Tenn. 38301. Applicant's representative: R. Connor Wiggins, Jr., Suite 909, 100 North Main

Building, Memphis, Tenn. 38103. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe*, (1) from Colfax, N.C., to Atlanta, Ga., Baltimore, Md., Bloomington, Minn., Buffalo, N.Y., Chicago, Ill., Cincinnati, Ohio; Cleveland, Ohio; Farmers Branch, and Houston, Tex., Indianapolis, Ind., Lincoln Park, N.J., Memphis, Tenn., Milwaukee, Wis., Philadelphia, Pa., Taylor, Mich.; and (2) from Slocomb, Ala., to Atlanta, Ga., Baltimore, Md., Bloomington, Minn., Charlotte, N.C., Chillicothe, and Cincinnati and Cleveland, Ohio; Farmers Branch and Houston, Tex., Indianapolis, Ind., Lincoln Park, N.J., Milwaukee, Wis., New Orleans, La., Philadelphia, and Pittsburgh, Pa., and St. Louis, Mo., for 180 days. SUPPORTING SHIPPER: ITT-Grinnell Corporation, 260 West Exchange Street, Box 309, Providence, R.I. 20901. SEND PROTESTS TO: Floyd A. Johnson, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 435 Federal Office Building, 167 North Main Street, Memphis, Tenn. 38103.

No. MC 138530 (Sub-No. 7 TA), filed March 26, 1974. Applicant: C.O.P. TRANSPORT, INC., 307 South High Street, P.O. Box 85, Cortland, Ohio 44410. Applicant's representative: Warren R. Keck III, 28 South Second Street, Greenville, Pa. 16125. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Machinery, strip mining, walking drag lines, mining and construction excavator shovels, stripping shovels, blast hole drills, steel forgings, castings, machinery parts, strip mining parts, walking drag line parts, mining and excavator shovel parts, drill parts, and accessories thereof, iron and steel* used in the manufacture of the above parts, *vendor products* used in the manufacture and processing of products of the above-described commodities, between the plant site of Marion Power Shovel Co., Inc., Marion, Ohio, and points in Missouri, Kentucky, and Tennessee, for 180 days. SUPPORTING SHIPPER: Marion Power Shovel Company, Inc., 617 West Center Street, Marion, Ohio 43302. SEND PROTESTS TO: Franklin D. Ball, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 181 Federal Office Building, 1240 East Ninth Street, Cleveland, Ohio 44199.

No. MC 139615 (Sub-No. 1 TA), filed March 26, 1974. Applicant: D.R.S. TRANSPORT, INC., Box 94, Oskaloosa, Iowa 52577. 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) *Agricultural machinery, implements, and equipment;* (2) *industrial and construction machinery and equipment;* (3) *irrigation equipment;* (4) *drainage systems;* (5) *stump cutters, log splitters, and log chippers;* (6) *tree spades;* and (7) *parts, attachments, and accessories* for commodities in (1) through (6) from Pella, Iowa, to points in Montana, North Dakota, South Dakota, Wyoming, Colorado, Nebraska, Kansas, Missouri, Minnesota, Wisconsin, Illinois, Indiana, Michigan, and Ohio, restricted to shipments originating at the facilities of Vermeer Manufacturing Co., at or near Pella, Iowa, and destined to points in the named destination states, for 180 days. SUPPORTING SHIPPER: Vermeer Manufacturing Co., P.O. Box 200, Pella, Iowa 50219. SEND PROTESTS TO: Herbert W. Allen, Transportation Specialist, Bureau of Operations, Interstate Commerce Commission, 875 Federal Building, Des Moines, Iowa 50309.

No. MC 139628 (Sub-No. 1 TA), filed March 29, 1974. Applicant: GLENN DAVID COWAN AND JAMES ESTILL COWAN, a Partnership, Route 1, East Bernstadt, Ky. 40741. Applicant's representative: Herbert D. Liebman, 403 West Main Street, Frankfort, Ky. 40601. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cheese*, from the plant site of Avalon Cheese Company of London, Ky., Inc., at London, Ky., and Eaglepass Cheese Company, Inc., Albany, Ky., to the plant site of The Borden Foods Company, Van Wert, Ohio, and *empty containers* on return, for 180 days. SUPPORTING SHIPPERS: Roy L. Scott, President, Avalon Cheese Company of London, Ky., Inc., P.O. Box 206, London, Ky. 40741 and Bill G. Burcham, President, Eaglepass Cheese Company, Inc., Albany, Ky. 42602. SEND PROTESTS TO: R. W. Schneiter, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 222 Bakhaus Building, 1500 West Main Street, Lexington, Ky. 40505.

PASSENGER APPLICATIONS

No. MC 139599 (Sub-No. 1 TA), filed March 27, 1974. Applicant: COLUMBIA TRANSPO COMPANY, INC., 6822 Wisconsin Avenue, Chevy Chase, Md. 20015. Applicant's representative: David V. Mason, Suite 110, 2054 North 14th Street, Arlington, Va. 22201. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Passengers*, between the IBM Facilities in Gaithersburg and Bethesda, Md., on the one hand, and, on the other, the IBM Facilities in Manassas, Va., for 180 days. SUPPORTING SHIPPER: Maurice M. Beal, Program Manager, Transportation Rates and Services, c/o International Business Machines Corporation, P.O. Box 10, Princeton, N.J. 08540. SEND PROTESTS TO: W. C. Hersman, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 12th Street & Constitution Avenue NW., Washington, D.C. 20423.

No. MC 139637 TA, filed March 26, 1974. Applicant: COURTESY BUS RENTAL SYSTEM, INC., Route 3, Box 617, Brandywine, Md. 20613. Applicant's representative: Daniel B. Johnson, 1123 Munsey Building, 1329 E Street NW., Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage* in the same vehicle with passengers, in special operations, between St. Charles City, Md., and Washington, D.C., from St. Charles City, Md., over U.S. Highway 301 to Maryland State Route 5 to Interstate 495, east to Interstate 295, then north to the District of Columbia and return over the same route, restricted to the loading and discharging of passengers at St. Charles City, Md., and Washington, D.C., for 180 days. SUPPORTED BY: There are approximately 37 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. SEND PROTESTS TO: W. C. Hersman, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 12th Street & Constitution Avenue NW., Washington, D.C. 20423.

By the Commission.

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

[FR Doc.74-8365 Filed 4-10-74;8:45 am]

[Ex Parte No. MC-92]

MOTOR COMMON CARRIERS

Investigation of Impact of Rising Costs

Order. At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 27th day of March 1974.

It appearing, that by order entered in Special Permission No. 74-1825 on December 13, 1973, as amended by orders entered on January 10 and 31, and March 11, 1974, special permission authority was granted to all common carriers and freight forwarders, and their tariff publishing agents, to file and post on not less than 10 working days' notice percentage surcharges to recover increases in fuel costs, including pass-through of such surcharges to those directly incurring such costs, subject to certain procedures, including the submission of certain data;

It further appearing, that by order entered in Special Permission No. 74-2525 on February 7, 1974, as amended by order entered on February 8, 1974, rescinding Special Permission No. 74-1825 to the extent necessary, special permission authority was granted to motor common carriers to file and post on not less than one day's notice an increase in passenger fares and freight charges for all transportation services consuming fuel in the form of a percentage surcharge "not to exceed 6 percent", without the submission of supporting data, the revenue therefrom to be passed through to those actually responsible for the payment of fuel charges, as more particularly set forth therein;

It further appearing, that subsequent to entry of the special permission authority in No. 74-1825 and prior to entry of the special permission authority in No.

74–2525, representations, in the form of a petition which was later withdrawn,[1] were made by the 10 major rate bureaus that the carriers were experiencing similarly escalating costs for other goods and services, especially since August 1973, along with a decline in traffic volume, resulting in a shortfall of revenue;

It further appearing, that a comparison of the composite annual data for 1972 and 1973 for 94 large motor carriers[2] shows that operating revenues and revenue tons increased about $1.1 billion and 18.1 million tons, respectively, while net income declined $24.8 million, or 9.6 percent, and that operating results for the fourth quarter of 1973 compared with the fourth quarter of 1972 followed the same trend; and good cause appearing therefor:

It is ordered, That under the provisions of section 204 of the Interstate Commerce Act, an investigation be, and it is hereby, instituted in this proceeding for the purpose of determining the impact of possible escalating cost and changing traffic volume on the revenue needs of the motor common carrier industry generally.

It further appearing, that petitions and other requests for certain amendments in Special Permission No. 74–1825 have been filed and received, and they are now under consideration; and that in Special Permission No. 74–2525 petitions and requests for amendments have been filed and received, principally by shippers, and by public notice of March 15, 1974, replies thereto were called for by April 1, 1974; and that the matters thus raised will be disposed of in due course;

It further appearing, that Special Permission No. 74–1825 was granted on a temporary, experimental basis in an atmosphere of transportation crisis, as known to all, to permit the pass-through in an expeditious manner of rapidly increasing fuel costs, but the period of notice and data required therein were found not to meet the needs of motor common carriers in the circumstances; that, in recognition thereof, Special Permission No. 74–2525 was entered; that, in view of the fact that, insofar as the interruption in the flow of commerce is concerned, the crisis has, for the time being, abated; and that, in accordance with the statement in the order in Special Permission No. 74–2525 that—

> The Commission shall analyze the impact of fuel expenses on a month-to-month basis to determine whether there is justification for increasing or reducing the surcharge authorized by this order; if conditions warrant, this order will be amended accordingly.

The Commission should, in the investigation hereby instituted, which is related thereto, review the respective relationships of the increased fuel costs to the surcharges, filed under the authority of No. 74–2525, insofar as they are applicable to (1) the ratemaking carriers' "owned operations" (i.e., in providing transportation with the carriers' owned vehicles and their own drivers), and (2) those operations performed by owner-operators; and that the Commission should consider the impact of the relationship in (1) above in determining the general revenue needs of the motor common carrier industry as indicated by revenue need data relating to the so-called ratemaking carriers;

It further appearing, that this proceeding is not expected to have a significant effect upon the quality of our human environment; and that any interested persons wishing to comment upon environmental issues are hereby invited to include such comments within their representations in this proceeding; and good cause appearing therefor;

It is further ordered, That the motor common carriers specified in Appendix A below which represent the carriers derived from separate probability samples based on the latest available statistics for all class I common cariers of passengers and property be, and they are hereby, made respondents hereto.

It is further ordered, That the respondents herein shall, at a future time to be specified by the Commission for the filing of initial verified statements, submit along with such statements, the data set forth in Appendices B and C below in the form designated therefor.

It is further ordered, That any person interested in this proceeding shall notify this Commission, by filing with the Interstate Commerce Commission, Office of Proceedings, Room 5354, Washington, D.C. 20423, on or before 10 days from the date of service hereof, the original and one copy of a statement of his interest, inasmuch as the Commission desires wherever possible (a) to conserve time, (b) to avoid unnecessary expense to the public, and (c) the service of pleadings by parties in proceedings of this type only upon those who intend to take an active part in the proceeding, the statement of intention to participate shall include a detailed specification of the extent of such person's interest, including (1) whether such interest extends merely to receiving Commission releases in this proceeding, (2) whether he genuinely wishes to participate by receiving and filing initial and/or reply statements, (3) if he so desires to participate as described in (2), whether he will consolidate or is capable of consolidating his interests with those of other interested parties by filing joint statements in order to limit the number of copies of pleadings that need be served, such consolidation of interests being strongly urged by the Commission, and (4) any other pertinent information which will aid in limiting the service list to be used in this proceeding; that this Commission shall then prepare and make available to all such persons a list containing the names and addresses of all parties desiring to participate in this proceeding and upon whom copies of all statements must be filed; and that at the time of service of this service list the Commission will fix the time within which initial verified statements of fact and of argument, and replies thereto, must be filed.

And it is further ordered, That a copy of this order be served upon the Governors and regulatory commissions of the several states, the motor common carrier rate bureaus, the parties to Special Permission No. 74–2525, and the motor common carriers specified in Appendix A below, that a copy be deposited in the Office of the Secertary, Interstate Commerce Commission, Washington, D.C., for public inspection, and that statutory notice of the institution of this proceeding be given to the general public by delivering a copy thereof to the Director, Office of the Federal Register, for publication therein.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

APPENDIX A—LIST OF MOTOR CARRIERS IN SAMPLE STUDY

REGION 1[1]

MC No.	*Name of carrier*
1. 063871	Andrews & Pierce, Inc.
2. 099749	Bourne's Transportation, Inc.
3. 067200	The Furniture Transport Co., Inc.
4. 014659	O'Donnell's Express
5. 009429	Paul V. Adams Trucking, Inc.
6. 087997	Textile Motor Express, Inc.
7. 109887	West End Moving & Storage Co., Inc.
8. 017778	Yale Transport Corp.

REGION 2

1. 119665	APD Transport Corp.
2. 104004	Associated Transport, Inc.
3. 113041	A. C. Berwick Transporters, Inc.
4. 001486	Van Brunt & Son, Inc.
5. 029684	Burgmeyer Bros., Inc.
6. 110525	Chemical Leaman Tank Lines, Inc.
7. 003114	T. H. Compton, Inc.
8. 064650	W. T. Cowan, Inc.
9. 073587	Elliott Bros. Trucking Co., Inc.
10. 014321	Engel Van Lines, Inc.
11. 123502	Free State Truck Service, Inc.
12. 113666	Freeport Transport, Inc.
13. 067646	Hall's Motor Transit Co.
14. 103721	Indian Valley Bulk Carriers, Inc.
15. 029613	Jayne's Motor Freight, Inc.
16. 123375	Kirk Trucking Service, Inc.
17. 029747	Lehigh Transportation Co., Inc.
18. 107403	Matlack, Inc.
19. 008973	Metropolitan Trucking, Inc.
20. 041915	Miller's Motor Freight, Inc. (Delaware corporation)
21. 077479	Moore's Trucking Co.
22. 065580	Mushroom Transportation Co., Inc.
23. 031024	Neptune World Wide Moving, Inc.
24. 045968	Engle Oostdyk, Inc.
25. 022829	Passaic Terminal & Transportation Co., Inc.
26. 119689	Peerless Transport Corp.
27. 034918	R. F. Post, Inc.
28. 039140	A. Duie Pyle, Inc.

[1] The regions are those used in "Transport Statistics of the United States,", Part 7, for the year ended December 31, 1972, page III.

[1] Assigned docket number Ex Parte No. MC–90, Petition for Extraordinary Relief to Permit Filing of Motor Carrier General Increase on Short Notice.

[2] Issued by the Commission's Bureau of Accounts on February 20, 1974.

REGION 2—continued

MC No.	Name of carrier
29. 109821	H. W. Taynton Co., Inc.
30. 127917	United Marlboro Carriers Corp.
31. 107615	United News Transport, Inc.
32. 063063	United Parcel Service, Inc. (New York)
33. 041951	Wheatley Trucking, Inc.
34. 088594	Carlton G. Whitaker, Inc.
35. 108067	Al Zeffiro Transfer & Storage, Inc.
36. 126427	Palmer Transportation, Inc.

REGION 3

1. 002934	Aero Mayflower Transit Co., Inc.
2. 015735	Allied Van Lines, Inc.
3. 109095	Anderson Motor Service, Inc.
4. 109633	Arbet Truck Lines, Inc.
5. 113436	Automobile Carriers, Inc.
6. 087303	Ben-Lee Motor Service Co.
7. 029745	Bodge Lines, Inc.
8. 035334	Cooper-Jarrett, Inc.
9. 041608	Corrigan Moving & Storage Co.
10. 121420	Dart Trucking Co., Inc.
11. 112304	Ace Doran Hauling & Rigging Co.
12. 010207	McClain Dray Line, Inc.
13. 000931	Falls Cities Transfer & Storage Co., Inc.
14. 113434	Gra-Bell Truck Line, Inc.
15. 007920	Herriett Trucking Co., Inc.
16. 059206	Holland Motor Express, Inc.
17. 119626	Ill-Pac Coast Transportation Co.
18. 035628	Interstate Motor Freight System
19. 114194	Kreider Truck Service, Inc.
20. 000489	F. Landon Cartage Co.
21. 000151	Lovelace Truck Service, Inc.
22. 123991	J. V. McNicholas Transfer Co.
23. 077404	Mohawk Motor, Inc.
24. 052656	Murphy Motor Express, Inc.
25. 079525	Norris Bros. Co.
26. 107012	North American Van Lines, Inc.
27. 067450	Peterlin Cartage Co.
28. 111941	Pierceton Trucking Co., Inc.
29. 112063	PI and I Motor Express, Inc.
30. 119632	Reed Lines, Inc. (Ohio corporation)
31. 002202	Roadway Express, Inc.
32. 107299	Roberts Cartage Co.
33. 106117	Rumpf Truck Line, Inc.
34. 112588	Russell Trucking Line, Inc.
35. 108382	Short Freight Lines, Inc.
36. 069116	Spector Freight System, Inc.
37. 117883	Subler Transfer, Inc.
38. 013426	United Parcel Service, Inc.
39. 112713	Yellow Freight System, Inc.
40. 043038	Commercial Carriers, Inc.

REGION 4

1. 113265	Atlanta-Ashville Motors Express, Inc.
2. 114604	Caudell Transport, Inc.
3. 118831	Central Transport, Inc.
4. 044128	EPES Transport System, Inc.
5. 065088	Fayard Moving & Transportation Corp.

REGION 4—continued

MC No.	Name of carrier
6. 103051	Fleet Transport Co., Inc.
7. 061788	Georgia-Florida-Alabama Transportation Co.
8. 011220	Gordon's Transports, Inc.
9. 113495	Gregory Heavy Haulers, Inc.
10. 109891	Inflinger Transportation Co., Inc.
11. 097904	Knoxville-Maryville Motor Express, Inc.
12. 106089	John G. Lane Line, Inc.
13. 106743	Loftin's Transfer & Storage Co., Inc.
14. 114106	Maybelle Transport Co.
15. 102379	Luther McGill, Inc.
16. 031389	McLean Trucking Co.
17. 099610	Ross Neely Express, Inc.
18. 109331	Nilson Van & Storage
19. 066571	Red Line, Inc.
20. 002900	Ryder Truck Lines, Inc. (Florida corporation)
21. 119560	Southern Bulk Haulers, Inc.
22. 059014	Tallant Transfer, Inc.
23. 022229	Terminal Transport Co., Inc.
24. 096961	West Tennessee Motor Express, Inc.
25. 064600	Wilson Trucking Corp.
26. 109540	Yeary Transfer Co., Inc.

REGION 5

1. 046829	Allard Express, Inc.
2. 040978	Chair City Motor Express Co.
3. 065781	Dawn Moving & Storage Co., Inc.
4. 022195	Dan Dugan Transport Co.
5. 043475	Glendenning Motorways, Inc.
6. 117765	Hahn Truck Line, Inc.
7. 108835	Hyman Freightways, Inc.
8. 002754	Neuendorf Transportation Co.

REGION 6

1. 078400	Beaufort Transfer
2. 071478	The Chief Freight Lines Co.
3. 127042	Hagen, Inc.
4. 061396	Herman Bros., Inc.
5. 124174	Momsen Trucking Co.
6. 002002	Philipp Transit Lines, Inc.
7. 112148	Powers Transport, Inc.
8. 109397	Tri-State Motor Transit Co.
9. 003062	L. A. Tucker Truck Lines, Inc.
10. 114211	Warren Transport, Inc.

REGION 7

1. 106775	Atlas Truck Line, Inc.
2. 046054	Brown Express, Inc.
3. 114004	Chandler Trailer Convoy, Inc.
4. 110817	E. L. Farmer & Co.
5. 099365	Shorty Hall Rig Co., Inc.
6. 098742	The Rocket Freight Lines Co.
7. 060131	Rocky Ford Moving Vans, Inc.
8. 059680	Strickland Transportation Co., Inc.
9. 035320	Time-DC, Inc.
10. 114045	Trans-Cold Express, Inc.
11. 000531	Younger Brothers, Inc.

REGION 8

MC No.	Name of carrier
1. 116045	Neuman Transit Co., Inc.
2. 060012	Rio Grande Motor Way, Inc.
3. 022046	W. M. (Billy) Walker, Inc.
4. 113624	Ward Transport, Inc.
5. 128728	The Weicker Transfer & Storage Co.
6. 007228	Coast Transport, Inc.

REGION 9

1. 041962	Beverly Hills Transfer & Storage Co.
2. 001083	Bower Trucking & Warehouse Co.
3. 042487	Consolidated Freightways Corp. (Delaware)
4. 120918	Kern Valley Trucking (a corporation)
5. 108703	Lee & Eastes Tank Lines, Inc.
6. 005429	Lyon Van Lines, Inc.
7. 107541	Magee Truck Service, Inc.
8. 000730	Pacific Intermountain Express Co.
9. 127539	Parker Refrigerated Service, Inc.
10. 108398	Ringsby-Pacific, Ltd.
11. 028905	Risbergs Truck Line
12. 120617	Rozay's Transfer (a California corporation)
13. 037771	Sheedy Drayage Co.
14. 069512	Thunderbird Freight Lines, Inc.
15. 110325	Transcon Lines
16. 112989	West Coast Truck Lines, Inc.
17. 000550	Wilhelm Trucking Co.
18. 099972	20th Century Trucking Co.

REGULATED BUS LINES

1. 002835	Adirondack Transit Lines, Inc.
2. 124935	Almeida Bus Lines, Inc.
3. 002890	American Buslines, Inc.
4. 013300	Carolina Coach Co.
5. 123748	Connecticut Limousine Service, Inc.
6. 107586	Continental Bus System, Inc.
7. 061599	Continental Southeastern Line, Inc.
8. 029957	Continental Southern Lines, Inc.
9. 109780	Continental Trailways, Inc.
10. 109312	De Camp Bus Lines
11. 001515	Greyhound Lines, Inc. (California corporation)
12. 000228	Hudson Transit Lines, Inc.
13. 003600	Frank Martz Coach Co.
14. 061616	Midwest Buslines, Inc.
15. 001427	New Mexico Transportation, Inc.
16. 084728	Safeway Trails, Inc.
17. 115116	Suburban Transit Corp.
18. 074761	Tamiami Trail Tours, Inc.
19. 001940	Trailways of New England, Inc.
20. 059238	Virginia Stage Lines, Inc.

APPENDIX B

FORMAT FOR MONTHLY INCOME STATEMENTS *(Report Amounts in Thousands)* (JANUARY AND FEBRUARY 1974)	NAME OF CARRIER
	MC NO.

LINE NO.	ITEM (a)	JANUARY (b)	FEBRUARY (c)
1.	CARRIER OPERATING REVENUES *(Account 3000)*	$	$
2.	CARRIER OPERATING EXPENSES *(Account 4000)*		
3.	NET CARRIER OPERATING INCOME *(Line 1 - Line 2)*		
4.	OTHER INCOME *(Accts. 8100, 8200, 8320, 8410, 8510, 8530, 9510, & 9530)*		
5.	OTHER DEDUCTIONS FROM INCOME *(Accts. 8310, 8420, 8520, 8540, 8600, 9520, & 9540)*		
6.	ORDINARY INCOME BEFORE INCOME TAXES *(Line 3 + Line 4 - Line 5)*		
7.	INCOME TAXES ON ORDINARY INCOME *(Account 8700)*		
8.	ORDINARY INCOME *(Line 6 - Line 7)*		
9.	EXTRAORDINARY AND PRIOR PERIOD ITEMS - NET *(Accts. 8810, 8820, 8850, 9810 9820, & 9850)*		
10.	NET INCOME OR (LOSS) *(Line 8 - Line 9)*		
	RATIOS		
11.	OPERATING RATIO *(Line 2 ÷ Line 1) - one decimal place*	%	%
12.	ORDINARY INCOME BEFORE INCOME TAXES RATIO *(Line 6 ÷ Line 1) - one decimal place*		
	TRAFFIC VOLUME DATA		
13.	TONS OF REVENUE FREIGHT CARRIED IN INTERCITY SERVICE *(Billed Weight)* - TOTAL OF COMMON AND CONTRACT SERVICE		
14.	TOTAL MILES OPERATED - ALL VEHICLES IN INTERCITY HIGHWAY SERVICE		

NOTE: Account numbers shown above correspond to the Interstate Commerce Commission's UNIFORM SYSTEM OF ACCOUNTS FOR CLASS I MOTOR CARRIERS OF PROPERTY. Motor carriers of passengers should use a similar format, which corresponds to the UNIFORM SYSTEM OF ACCOUNTS FOR MOTOR CARRIERS OF PASSENGERS.

APPENDIX B

EX.PARTE NO. MC-92					NAME OF CARRIER MC NO.					
LINE NO.	MAY (f)	JUNE (g)	JULY (h)	AUGUST (i)	SEPTEMBER (j)	OCTOBER (k)	NOVEMBER (l)	DECEMBER (m)	YEAR 1973 (n)	
1.	$	$	$	$	$	$	$	$	$	1
2.										2
3.										3
4.										4
5.										5
6.										6
7.										7
8.										8
9.										9
10.										10
11.										11
12.	%	%	%	%	%	%	%	%	%	12
13.										13
14.										14
15.										15

APPENDIX B

FINANCIAL DATA

FORMAT FOR MONTHLY INCOME STATEMENTS
(JANUARY THROUGH DECEMBER, 1973)
(Report Amounts in Thousands)

LINE NO.	ITEM (a)	JANUARY (b)	FEBRUARY (c)	MARCH (d)	APRIL (e)	
1.	OPERATING REVENUES *(Account 3000)*	$	$	$	$	1
2.	TOTAL EXPENSES *(Accts. 4000, 5000, 5100, 5150, & 5200)*					2
3.	LEASE OF DISTINCT OPERATING UNIT-NET *(Accts. 5400 & 5500)*					3
4.	NET CARRIER OPERATING INCOME *(Line 1 - Line 2 + Line 3)*					4
5.	OTHER INCOME *(Accts. 6100, 6300, 6400 & 6500)*					5
6.	MISCELLANEOUS DEDUCTIONS *(Accts. 7100, 7300, 7400 & 7500)*					6
7.	ORDINARY INCOME BEFORE INCOME TAXES *(Line 4 + Line 5 - Line 6)*					7
8.	INCOME TAXES ON ORDINARY INCOME *(Account 8800)*					8
9.	ORDINARY INCOME *(Line 7 - Line 8)*					9
10.	EXTRAORDINARY AND PRIOR PERIOD ITEMS - NET *(Accts. 8910, 8930 & 8950)*					10
11.	NET INCOME OR (LOSS) *(Line 9 - Line 10)*					11
	RATIOS					
12.	OPERATING RATIO *(Expenses to revenues, Line 2 ÷ Line 1) - one decimal place*	%	%	%	%	12
13.	ORDINARY INCOME BEFORE INCOME TAXES RATIO *(Line 7 ÷ Line 1) - one decimal place*					13
	TRAFFIC VOLUME DATA					
14.	TONS OF REVENUE FREIGHT CARRIED IN INTERCITY SERVICE *(billed weight)*-TOTAL OF COMMON AND CONTRACT SERVICE.					14
15.	TOTAL MILES OPERATED - ALL VEHICLES IN INTERCITY HIGHWAY SERVICE					15

NOTE: Account numbers shown above correspond to the ICC's Uniform System of Accounts for Class I Motor Carriers of Property. Motor carriers of passengers should use a similar format, which corresponds to the Uniform System of Accounts for Motor Carriers of Passengers.

APPENDIX B

FORMAT FOR MONTHLY STATEMENTS OF CHANGES IN FINANCIAL POSITION - JANUARY 1973 THROUGH FEBRUARY 1974
(Report Amounts in Thousands)

LINE NO.	ITEM (a)	JANUARY (b)	FEBRUARY (c)	MARCH (d)	APRIL (e)	MAY (f)	LINE NO.
	SOURCE OF FUNDS 1/						
1.	NET INCOME	$	$	$	$	$	1
2.	ADD NON-CASH CHARGES FOR DEPRECIATION AND AMORTIZATION						2
3.	ADD NON-CASH CHARGES FOR ADDITIONS *(deduct for decreases)* TO ESTIMATED LIABILITIES - i.e. SELF INSURANCE, PERSONAL INJURIES, PROPERTY DAMAGE, WORKMEN'S COMPENSATION, CARGO LOSS AND DAMAGE CLAIMS AND OVERCHARGE CLAIMS						3
4.	ADD OTHER NON-CASH CHARGES *(Specify)*						4
5.	FUNDS PROVIDED BY OPERATIONS *(Line 1 through 4)*						5
6.	PROCEEDS FROM SALE OF CAPITAL STOCK OF OWN ISSUE						6
7.	PROCEEDS FROM SALE OF FUNDED DEBT, EQUIPMENT AND OTHER OBLIGATIONS OF OWN ISSUE						7
8.	PROCEEDS FROM SALE OR DISPOSAL OF PROPERTY AND OTHER NON-CURRENT ASSETS						8
9.	NET DECREASE IN WORKING CAPITAL 2/						9
10.	OTHER SOURCES *(Specify)*						10
11.	TOTAL SOURCES OF FUNDS *(Line 5 through Line 10)*						11
	APPLICATION OF FUNDS 1/						
12.	INVESTMENT IN TRANSPORTATION PROPERTY						12
13.	INVESTMENTS AND ADVANCES, AFFILIATED AND NON-AFFILIATED COMPANIES						13
14.	CAPITAL STOCK OF OWN ISSUE REACQUIRED						14
15.	FUNDED DEBT, EQUIPMENT AND OTHER OBLIGATIONS PAID OR REACQUIRED						15
16.	PAYMENT OF DIVIDENDS *(Other than stock dividends)*						16
17.	NET INCREASE IN WORKING CAPITAL 2/						17
18	OTHER APPLICATIONS *(Specify)*						18
19.	TOTAL APPLICATION OF FUNDS *(Lines 12 through 18)* - TOTAL SHOULD BE SAME AS LINE 11						19

1/ Give the information as requested concerning the source and application of funds. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

2/ Working capital represents total current assets less total current liabilities. For purpose of this statement, long-term debt due within one year should be included in current liabilities.

APPENDIX B

NAME OF CARRIER

EX PARTE MC-92 MC NO.

LINE NO	JUNE (g)	JULY (h)	AUGUST (i)	SEPTEMBER (j)	OCTOBER (k)	NOVEMBER (l)	DECEMBER (m)	YEAR 1973 (n)	JAN. 1974 (o)	FEB. 1974 (p)	LINE NO
1	$	$	$	$	$	$	$	$	$	$	1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17											17
18											18
19											19

APPENDIX C

INTERSTATE COMMERCE COMMISSION CARRIER FUEL DATA AND OTHER RELATED INFORMATION *(Report Dollars in Thousands)*	NAME OF CARRIER MC NO.

LINE NO.	ITEM 1/ (a)	RATEMAKING CARRIER (b)	OWNER-OPERATOR (c)	TOTAL (d)
1.	REVENUES ASSOCIATED WITH TRANSPORTATION PERFORMED BY OWNER-OPERATORS, FIRST QUARTER 1973.....	$	$	$
2.	PERCENT FUEL EXPENSES *(Including Taxes)* IS TO REVENUE ON LINE 1.....	XXX	% 2/	XXX
3.	REVENUES OTHER THAN THAT SHOWN ON LINE 1, FIRST QTR. 1973..		XXX	
4.	PERCENT FUEL EXPENSES *(Including Taxes)* IS TO REVENUES ON LINE 3 *(Use accounts 4250, 4260, 5210 for fuel expense)*...	%	XXX	XXX
5.	TOTAL OPERATING REVENUES, FIRST QTR. 1973 *(Lines 1 and 3)*. SHOULD AGREE WITH QUARTERLY REPORT DATA.....	XXX	XXX	$
6.	AVERAGE LAWFUL PRICE PER GALLON OF FUEL *(Including Taxes)* ON: *(In cents to 2 dec.)*			
	(a) MAY 15, 1973.....			XXX
	(b) FEBRUARY 7, 1974.....			XXX
	(c) EFFECTIVE DATE ( ) UNDER SP 74-2525.....			XXX
	(d) LAST DAY OF FUEL STUDY PERIOD RELIED UPON TO SUPPORT LAST GENERAL RATE INCREASE GRANTED SUBSEQUENT TO MAY 15, 1973 *(Specify date_____)*.			XXX
7.	SURCHARGE(S) CURRENTLY IN EFFECT:			
	(a) SURCHARGE_____% EFFECTIVE DATE_____			
	(b) TOTAL MONTHLY OPERATING REVENUES, FEBRUARY 1974 OR SUBSEQUENT MONTH *(Specify)*.			$
	(c) MONTHLY REVENUES TO WHICH SURCHARGE APPLIES.....			$
	(d) ADDITIONAL MONTHLY REVENUES FROM SURCHARGE.....			$

NOTE: If more than one surcharge is in effect, use separate sheet for each and explain.

8. DOES THE SURCHARGE IN ITEM 7 ABOVE DUPLICATE ANY FUEL-RELATED COST INCREASES INCLUDED IN GENERAL RATE INCREASES SUBMITTED TO THE COMMISSION SINCE MAY 15, 1973? [ ] YES [ ] NO

IF YES, PLEASE EXPLAIN

1/ Data used in this form shall be properly explained and supported, and all underlying data used in its preparation shall be made available in the office of the party providing such material during usual working hours for inspection by any party of record desiring to do so, and shall be made available to the Commission upon request therefor.

2/ Determine percent based on actual data, if available. If not available leave blank.

[FR Doc.74-8135 Filed 4-10-74;8:45 am]

[Notice No. 28]

MOTOR CARRIER, BROKER, WATER CARRIER AND FREIGHT FORWARDER APPLICATIONS

APRIL 5, 1974.

The following applications (except as otherwise specifically noted, each applicant (on applications filed after March 27, 1972) states that there will be no significant effect on the quality of the human environment resulting from approval of its application), are governed by special rule 1100.247[1] of the Commission's general rules of practice (49 CFR, as amended), published in the FEDERAL REGISTER issue of April 20, 1966, effective May 20, 1966. These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission on or before May 13, 1974. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with section 247(d)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one (1) copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if no representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of section 247(d)(4) of the special rules, and shall include the certification required therein.

Section 247(f) of the Commission's rules of practice further provides that each applicant shall, if protests to its application have been filed, and within 60 days of the date of this publication, notify the Commission in writing (1) that it is ready to proceed and prosecute the application, or (2) that it wishes to withdraw the application, failure in which the application will be dismissed by the Commission.

Further processing steps (whether modified procedure, oral hearing, or other procedures) will be determined generally in accordance with the Commission's general policy statement concerning motor carrier licensing procedures, published in the FEDERAL REGISTER issue of May 3, 1966. This assignment will be by Commission order which will be served on each party of record. Broadening amendments will not be accepted after the date of this publication except for good cause shown, and restrictive amendments will not be entertained following publication in the FEDERAL REGISTER of a notice that the proceeding has been assigned for oral hearing.

[1] Copies of special rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

No. MC 730 (Sub-No. 362), filed March 4, 1974. Applicant: PACIFIC INTERMOUNTAIN EXPRESS CO., a Corporation, 1417 Clay Street, P.O. Box 958, Oakland, Calif. 94612. Applicant's representative: R. N. Cooledge (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Tung oil*, in bulk, in tank vehicles, from Avondale and Bogalusa, La., and Mobile, Ala., to points in California, Oregon, and Washington.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either San Francisco, or Los Angeles, Calif.

No. MC 2900 (Sub-No. 250), filed March 1, 1974. Applicant: RYDER TRUCK LINES, INC., 2050 Kings Road, Jacksonville, Fla. 32203. Applicant's representative: S. E. Somers, Jr. (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, commodities in bulk, household goods as defined by the Commission, and those requiring special equipment), serving the Holiday Industrial Park, Desoto County, Miss. as an off-route point in connection with applicant's presently authorized regular route.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Memphis, Tenn. or Washington, D.C.

No. MC 7640 (Sub-No. 44), filed February 25, 1974. Applicant: BARNES TRUCK LINE, INC., 506 Mayo Street, Wilson, N.C. 27893. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street, N.W., Washington, D.C. 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Laminated modular panels*, from Frankfort, Ind. and Tarboro, N.C., to points in Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin and the District of Columbia, with no transportation for compensation on return except as otherwise authorized.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Cincinnati, Ohio or Washington, D.C.

No. MC 10095 (Sub-No. 4), filed March 4, 1974. Applicant: RAYMOND BRACHT, doing business as BRACHT TRANSPORTATION CO., P.O. Box 151, Milbank, S. Dak. 57252. Applicant's representative: F. H. Kroeger, 2288 University Avenue, St. Paul, Minn. 55114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Lactose, in bags*, from Milbank, S. Dak., to Sturgis, Mich., and Columbus, Ohio; and (2) *wooden cheese containers*, disassembled, from Springfield, Mo., to Milbank, S. Dak.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 11207 (Sub-No. 343), filed February 21, 1974. Applicant: DEATON, INC., 317 Avenue W, Ensley, P.O. Box 938, Birmingham, Ala. 35201. Applicant's representative: A. Alvis Layne, 915 Pennsylvania Building, Washington, D.C. 2004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe, fittings and accessories*, from Thomasville, Ga., to points in Alabama, Florida, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

NOTE.— Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C. or Atlanta, Ga.

No. MC 18088 (Sub-No. 55), filed December 3, 1973. Applicant: FLOYD & BEASLEY TRANSFER COMPANY, INC., P.O. Drawer 8, Sycamore, Ala. 35149. Applicant's representative: Maurice F. Bishop, 603 Frank Nelson Building, Birmingham, Ala. 35203. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk and commodities requiring special equipment), (1) between Pell City, Ala. and Corinth, Miss., (a) from Pell City over U.S. Highway 78 to Tupelo, Miss., thence over U.S. Highway 45 to Corinth, Miss. and return over the same route; and (b) from Pell City over U.S. Highway 231 to its junction with Alabama Highway 67, thence over Alabama Highway 67 to its junction with Alternate U.S. Highway 72, thence over Alternate U.S. Highway 72 to its junction with U.S. Highway 72 to Corinth, Miss., and return over the same route, serving all intermediate points and the following Mississippi Counties as off-route points: Alcorn, Tishomingo, Tippah, Panola, Prentiss, Lafayette, Union, Itawamba, Pontotoc, Lee, Chickasaw, Monroe, Clay, Lowndes, Noxubee, Winston, Oktibbeha, and Webster; and Coosa and Clay Counties, Ala., as off-route points; (2) Between the junction of U.S. Highways 278 and 78 at or near Guin, Ala., and Corinth, Miss.

From the junction of U.S. Highways 278 and 78 over U.S. Highway 278 to the junction of U.S. Highway 45 and 45W at or near Nettleton, Miss., thence over U.S. Highway 45 to Corinth, Miss. and return over the same route as an alternate route for operating convenience only; (3) between Pell City, Ala. and Columbus, Miss.: From Pell City over U.S. Highway 231 to Harpersville, Ala. thence over Alabama Highway 25 to Centerville, Ala., thence over U.S. Highway 82 to Columbus, Miss., serving all intermediate points and points in Monroe, Chickasaw, Lowndes, Clay, Webster, Oktibbeha, Choctaw, Winston, Noxubee, Kemper, Lauderdale, Newton and Neshoba Counties, Miss. as off-route points and return over the same routes; (4) between Pell City, Ala., and Meridian, Miss.: From Pell City over U.S. Highway 231 to Rockford, Ala., thence over Alabama Highway 22 to Selma, Ala., thence over U.S. Highway 80 to Meridian, Miss., serving all intermediate points in Alabama and points south of U.S. Highway 80 in Mississippi, as off-route points restricted to (a) service to, from or between points in Mississippi located on or within 2 miles of U.S. Highway 80.

(b) Traffic moving from, to or through Birmingham, Decatur, Gadsden, Tuscaloosa, and Anniston, Ala., and their respective commercial zones is restricted to traffic moving to, from or through the Mississippi points and counties described; and (c) service between points in Mississippi located on or within 2 miles of U.S. Highway 80 between Clinton, Miss., and Meridian, Miss., including Clinton and Meridian and points within their respective commercial zones; on or within 2 miles of U.S. Highway 49 between Jackson, Miss. and Hattiesburg, Miss., including Jackson and Hattiesburg and their respective commercial zones; on or within 2 miles of U.S. Highway 11 between Hattiesburg Miss. and Meridian, Miss., including Jackson and Hattiesburg and their respective commercial zones; on or within 2 miles of U.S. Highway 98 between Hattiesburg, Miss., and the Alabama-Mississippi State line, including Hattiesburg and its commercial zone; on or within 2 miles of U.S. Highway 45 between Meridian, Miss., and the Alabama-Mississippi State line, including Meridian and its commercial zone and points in Wayne, Greene, Perry, George, Stone, Harrison, and Jackson Counties, Miss., on the one hand, and, on the other, Atlanta, Ga., and points within 15 miles of Atlanta, Ga.; Birmingham, Ala.; and its commercial zone and points in Alabama located on and south of U.S. Highway 80 (except service will be provided at points on U.S. Highway 80 between Selma, Ala., and the Alabama-Mississippi State line, including Selma and its commercial zone); and

(d) Service between that part of Alabama on and north of a line from Birmingham (including Birmingham and its commercial zone) via U.S. Highway 11 and/or Interstate Highways 20 and 59 to Tuscaloosa, thence over U.S. Highway 82 to the Alabama-Mississippi State line, and on and west of U.S. Highway 31 and/or Interstate Highway 65 between Birmingham and the Alabama-Tennessee State line (including Birmingham and its commercial zone), on the one hand, and, on the other, the area in Mississippi described in this application.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Birmingham, Ala., or Jackson, Miss.

No. MC 23618 (Sub.-No. 19), filed February 26, 1974. Applicant: McALISTER TRUCKING COMPANY, a Corporation, 1618 S. Treadway Blvd., P.O. Box 2377, Abilene, Tex. 79604. Applicant's representative: Bernard H. English, 6270 Firth Road, Fort Worth, Tex. 76116. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Anti-pollution systems, equipment, and parts, liquid cooling and vapor condensing systems, equipment and parts, environmental control and protective systems, equipment and parts*, the transportation of which, because of size or weight, requires the use of special equipment, and (2) *equipment, materials, and supplies* used in the construction or installation of anti-pollution and environmental control and protective systems, and liquid cooling and vapor condensing systems, when moving in mixed loads with the articles described in (1) above, between Cisco and Wichita Falls, Tex., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii).

NOTE.—Applicant states that the requested authority can be tacked with its existing authority, on earth drilling, water well, and commodities used in pipelines for water and sewage, at Cisco and Wichita Falls, Tex. to provide a through service from points in Texas to points in the United States (except Alaska and Hawaii). If a hearing is deemed necessary applicant requests it be held at Dallas or Fort Worth, Tex.

No. MC 25798 (Sub-No. 256), filed February 27, 1974. Applicant: CLAY HYDER TRUCKING LINES, INC., 502 East Bridgers Avenue, Auburndale, Fla. 33823. Applicant's representative: Tony G. Russell (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Belvidere, Ill. to points in Arkansas, Colorado, Louisiana, Oklahoma and Texas.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Tampa or Orlando, Fla.

No. MC 29886 (Sub-No. 307), filed March 4, 1974. Applicant: DALLAS & MAVIS FORWARDING CO., INC., 4000 West Sample Street, South Bend, Ind. 46627. Applicant's representative: Charles Pieroni (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Motor vehicles and motor vehicle chassis*, in initial movements, in driveaway and truckaway service, and *bodies, cabs and parts of and accessories* for such vehicles, from Macungie (Lehigh County), Pa., to points in the United States, including Hawaii but excluding Alaska.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 29910 (Sub-No. 142), filed February 25, 1974. Applicant: ARKANSAS-BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Fort Smith, Ark. 72901. Applicant's representative: Don A. Smith, P.O. Box 43—Kelley Building, Fort Smith, Ark. 72901. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except articles of unusual value, Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk and those requiring special equipment), serving the plantsite of Aluminum Company of America located at or near Palestine, Tex., on U.S. Highway 79 as an off-route point in connection with carrier's regular-route operations to and from Shreveport, La.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Dallas or Houston, Tex.

No. MC 30844 (Sub-No. 495), filed February 26, 1974. Applicant: KROBLIN REFRIGERATED XPRESS, INC., 2125 Commercial Street, P.O. Box 5000, Waterloo, Iowa 50702. Applicant's representative: Truman A. Stockton, The 1650 Grant Street Building, Denver, Colo. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Candy and confectionery and related products* (except in bulk); and (2) *advertising matter, premium and display materials*, when shipped in the same vehicle with commodities described in (1) above, in vehicles equipped with mechanical refrigeration, from the plantsite and warehouse facilities of M&M/MARS, Incorporated, at Hackettstown, N.J., to points in Arkansas, Colorado, Iowa, Kansas, Minnesota, Nebraska, Oklahoma, Texas and Illinois (on and south of U.S. Highway 36).

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y. or Washington, D.C.

No. MC 30844 (Sub-No. 499), filed February 26, 1974. Applicant: KROBLIN REFRIGERATED XPRESS, INC., 2125 Commercial Street, Waterloo, Iowa 50702. Applicant's representative: Paul Rhodes (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Candy and confectionery*, from Carol Stream, Ill., to points in Arkansas, Colorado, Iowa, Kansas, Minnesota, Missouri, Oklahoma, and Texas, restricted to shipments originating at the plantsites and warehouse facilities of E. J. Brach and Sons and destined to the above named states.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Washington, D.C.

No. MC 35045 (Sub-No. 11) (AMENDMENT), filed November 19, 1973, published in the FR issue of January 4, 1974, and republished as amended this issue. Applicant: HORNE HEAVY HAULING, INC., 1124 DeKalb Avenue, N.E., Atlanta, Ga. 30307. Applicant's representative: K. Edward Wolcott, 1600 First Federal Building, 40 Marietta Street, Atlanta, Ga. 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Commodities*, the transportation of which because of their size or weight, require special handling or special equipment and *related contractors materials, supplies and equipment*, when the transportation is incidental to the transportation by said carrier of commodities which by reason of size or weight require special handling or special equipment; and (2) *self-propelled articles*, each weighing 15,000 pounds or more, and *related machinery, tools parts, and supplies* moving in connection therewith, restricted to commodities which are transported on trailers, between points within 175 miles of Chattanooga, Tenn., including Chattanooga, Tenn., on the one hand, and, on the other, Bristol, Va., restricted to the transportation of traffic which is interchanged at Bristol, Va.

NOTE.—Applicant holds contract carrier authority in MC 134797, therefore dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. The purpose of this application is to relocate the interchange point for reasons of efficiency and increased safety. The purposes of this republication are: to amend the commodity description as stated above and to indicate carrier's existing contract authority and resulting possibility of dual operations.

No. MC 35045 (Sub-No. 17), filed February 26, 1974. Applicant: HORNE HEAVY HAULING, INC., 1124 DeKalb Avenue, N.E., Atlanta, Ga. 30307. Applicant's representative: Monty Schumacher, Suite 310, 2045 Peachtree Road, N.E., Atlanta, Ga. 30309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Machinery and equipment*, from the plant site of The Cobble Division of the Singer Co., at Chattanooga, Tenn., to points in the United States (except Alaska and Hawaii), and *return of damaged or refused shipments*.

NOTE.—Applicant holds contract carrier authority in MC 134797, therefore dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 44735 (Sub-No. 16), filed March 1, 1974. Applicant: KISSICK TRUCK LINES, INC., 7101 East 12th Street, Kansas City, Mo. 64126. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Precast and prestressed concrete products*, from the plantsite and warehouse facilities of Wilson Concrete Company, located at or near Bellevue and La Platte, Nebr., and Red Oak, Iowa, to points in Kansas, Missouri, Iowa, Illinois, Nebraska, South Dakota, Minnesota, Colorado, Oklahoma, and Arkansas; and (2) *materials and supplies*, used in the manufacture and distribution of (1) above, from points in Kansas, Missouri, Iowa, Illinois, Nebraska, South Dakota, Minnesota, Colorado, Oklahoma, and Arkansas to the plantsite and warehouse facilities of Wilson Concrete Company, located at Bellevue and La Platte, Nebr. and Red Oak, Iowa, (1) and (2) above, restricted to traffic originating at the points of origin.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Omaha, Nebr., or Kansas City, Mo.

No. MC 50069 (Sub-No. 478), filed March 1, 1974. Applicant: REFINERS TRANSPORT & TERMINAL CORPORATION, 445 Earlwood Avenue, Toledo, Ohio 43616. Applicant's representative: J. A. Kundtz, 1100 National City Bank Building, Cleveland, Ohio 44114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum lube oil*, in bulk, in tank vehicles, from Indianapolis, Ind., to points in Illinois, Missouri, Kentucky, Tennessee, Mississippi, Alabama, Georgia, West Virginia, Ohio and Pennsylvania.

NOTE.—Common control and dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 50069 (Sub-No. 479), filed February 25, 1974. Applicant: REFINERS TRANSPORT AND TERMINAL CORPORATION, 445 Earlwood Avenue, Oregon (Toledo), Ohio 43616. Applicant's representative: J. A. Kundtz, 1100 National City Bank Building, Cleveland, Ohio 44114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid fertilizer solution*, in bulk, in tank vehicles, (1) from Breese, Valmeyer and West York, Ill., to points in Indiana, Kentucky and Missouri; and (2) from Dublin and Jordan, Ind., to points in Illinois, Kentucky, Michigan and Ohio.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 52709 (Sub-No. 324), filed February 11, 1974. Applicant: RINGSBY TRUCK LINES, INC., 5773 South Prince St., P.O. Box 192, Littleton, Colo. 80120. Applicant's representative: Kenneth A. Willhite (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products and meat by-products and articles distributed by meat packinghouses*, as described in sections A and C of Appendix 1 to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), in tank vehicles, from Greeley, Colo., and Denver, Colo., to points in Connecticut, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, Wisconsin and the District of Columbia.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Denver, Colo. or Salt Lake City, Utah.

No. MC 52869 (Sub-No. 95), filed February 25, 1974. Applicant: NORTHERN TANK LINE, a Corporation, P.O. Box 970, Miles City, Mont. 59301. Applicant's representative: Thomas J. Van Osdel, 502 First National Bank Bldg., Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, in bulk, in tank vehicles, from Minot, N. Dak. to points in Minnesota, South Dakota and Montana.

NOTE.—Applicant states that the requested authority can be tacked: (1) with Sub-No. 58, transporting crude oil, at points in Montana east of U.S. Highway 91, to serve Frannie, Wyo.; (2) with Sub-No. 50, transporting crude oil, at points in Carbon County, Mont. (with exceptions), to serve points in Big Horn and Park Counties, Wyo.; (3) with Sub-No. 67, transporting liquefied petroleum gas and natural gasoline, at Mentor, Minn., and points within 5 miles thereof, to serve points in Wisconsin and the Upper Peninsula of Michigan; (4) with Sub-No. 69, transporting petroleum and petroleum products, at points in Pennington County, S. Dak., to serve points in Nebraska and Wyoming; (5) with Sub-No. 77, transporting petroleum and petroleum products, at a named terminal facility, located at or near Aberdeen, S. Dak., to serve points in Wyoming; and (6), with Sub-No. 91, transporting petroleum and petroleum products, at points in Butte County, S. Dak., to serve points in Nebraska, Colorado and Wyoming. If a hearing is deemed necessary, the applicant requests it be held at Billings, Mont., Minneapolis, or St. Paul, Minn.

No. MC 61440 (Sub-No. 139), filed February 27, 1974. Applicant: LEE WAY MOTOR FREIGHT, a Corporation, P.O. Box 82448, Exchange Branch, 3000 West Reno, Oklahoma City, Okla. 73108. Applicant's representative: Richard H. Champlin (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, commodities in bulk, livestock, household goods as defined by the Commission, and commodities requiring special equipment), serving the plant site and shipping facilities of EasTex, Inc. at or near Evadale, Tex., as an off-route point in connection with

carrier's authorized regular route at Beaumont, Tex.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Houston, Tex.

No. MC 69224 (Sub-No. 42), filed February 25, 1974. Applicant: H AND W MOTOR EXPRESS CO., a Corporation, 3000 Elm Street, Dubuque, Iowa 52001. Applicant's representative: Frank W. Taylor, Jr., 1221 Baltimore Avenue, Kansas City, Mo. 64105. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except commodities requiring special equipment, Classes A and B explosives, household goods as defined by the Commission, and commodities in bulk), Between St. Paul, Minn., and Des Moines, Iowa: (1) From St. Paul over Interstate Highway 35 to Des Moines and return over the same route serving no intermediate points, as an alternate route for operating convenience only in connection with carrier's regular route operations; (2) From St. Paul over Interstate Highway 35 to junction U.S. Highway 16, thence over U.S. Highway 16 to junction U.S. Highway 69, thence over U.S. Highway 69, to junction U.S. Highway 20, thence over U.S. Highway 20 to junction Interstate Highway 35, thence over Interstate Highway 35 to Des Moines, and return over the same route serving no intermediate points, as an alternate route for operating convenience only in connection with carrier's regular route operations; and (3) From St. Paul over Interstate Highway 35 to junction U.S. Highway 65, thence over U.S. Highway 65 to junction U.S. Highway 20, thence over U.S. Highway 20 to junction Interstate Highway 35, thence over Interstate Highway 35 to Des Moines and return over the same route serving no intermediate points, as an alternate route for operating convenience only in connection with carrier's regular route operations.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Des Moines, Iowa.

No. MC 82492 (Sub-No. 93) (AMENDMENT), filed November 26, 1973, published in the FR issue of January 10, 1974, and republished, as amended, this issue. Applicant: MICHIGAN & NEBRASKA TRANSIT CO., INC., P.O. Box 2853, 2109 Olmstead Road, Kalamazoo, Mich. 49003. Applicant's representative: William C. Harris (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs and non-edible food products* (except commodities in bulk), from Logansport, Ind., to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio, and Wisconsin, restricted to traffic originating at Logansport, Ind.

NOTE.—The purpose of this republication is to add the commodities non-edible food products. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Lansing, Mich.

No. MC 82492 (Sub-No. 102) filed February 28, 1974. Applicant: MICHIGAN & NEBRASKA TRANSIT CO., INC., P.O. Box 2853, 2109 Olmstead Road, Kalamazoo, Mich. 49003. Applicant's representative: William C. Harris (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Appleton, Wis., to Altoona, and Duncansville, Pa., and those points on and west of U.S. Highway 219 in Pennsylvania, and those points in New York in and west of Allegany, Livingston, and Monroe Counties.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., Milwaukee, Wis., or Washington, D.C.

No. MC 82892 (Sub-No. 101), filed February 28, 1974. Applicant: MICHIGAN & NEBRASKA TRANSIT CO., INC., P.O. Box 2853, 2109 Olmstead Road, Kalamazoo, Mich. 49003. Applicant's representative: William C. Harris, P.O. Box 2853, Kalamazoo, Mich. 49003. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except commodities in bulk), from Plover, Wis., to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, those points in New York in and west of Allegany, Livingston and Monroe Counties and those points in Pennsylvania on and west of U.S. Highway 219.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., Milwaukee, Wis., or Washington, D.C.

No. MC 83835 (Sub-No. 114), filed March 1, 1974. Applicant: WALES TRANSPORTATION, INC., P.O. Box 6186, Dallas, Tex. 75222. Applicant's representative: James W. Hightower, 136 Wynnewood Professional Bldg., Dallas, Tex. 75224. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Refined copper and materials and supplies* used in the manufacture and distribution of refined copper; and (2) *metal of extraordinary value*, between Amarillo, Tex., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii).

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Dallas, Tex.

No. MC 87511 (Sub-No. 16), filed February 25, 1974. Applicant: SAIA MOTOR FREIGHT LINE, INC., P.O. Box 10157, Houma, La. 70360. Applicant's representative: Phillip Robinson, P.O. Box 2207, Austin, Tex. 78767. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities which because of size or weight require the use of special equipment), (1) Between Vidor, Tex., and Kinder, La.: From Vidor, Tex., over Interstate Highway 10 to its intersection with Texas Highway 12, thence over Texas Highway 12 to its intersection with Louisiana Highway 12, thence over Louisiana Highway 12 to Ragley, La., thence over U.S. Highway 190 to Kinder, La., and return over the same route; (2) Between Reeves, La., and Alexandria, La.: From Reeves, La., over Louisiana Highway 113 to Sugartown, La., thence over Louisiana Highway 113 to Pitkin, La., thence over Louisiana Highway 463 to its intersection with Louisiana Highway 28 at or near Hineston, La., thence over Louisiana Highway 28 to Alexandria, La., and return over the same route; and (3) Between junction Interstate Highway 10 and Louisiana Highway 27 and DeQuincy, La.: From junction Interstate Highway 10 and Louisiana Highway 27 over Louisiana Highway 27 to DeQuincy, La., and return over the same route, serving no intermediate points in Texas and serving all intermediate points in Louisiana. RESTRICTION: The operations authorized hereinabove are subject to the following conditions: Service by carrier to and from points in Texas is limited to traffic moving from, to, or through points in Louisiana.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at either Baton Rouge or New Orleans, La.

No. MC 93393 (Sub-No. 19), filed February 21, 1974. Applicant: NIGHTWAY TRANSPORTATION CO., INC., 4108 South Emerald Avenue, Chicago, Ill. 60609. Applicant's representative: Joseph M. Scanlan, 111 West Washington Street, Chicago, Ill. 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, edible and inedible (except commodities in bulk), from Logansport, Ind., to points in Illinois, Michigan, Indiana and Ohio, restricted to traffic originating at Logansport, Ind.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill. or Washington, D.C.

No. MC 95540 (Sub-No. 895), filed February 25, 1974. Applicant: WATKINS MOTOR LINES, INC., 1940 Monroe Drive, P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Jerome F. Marks (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and articles* distributed by meat packing houses as described in Sections A and C of Appendix I to the report in *Description in Motor Carrier Certificates,*

61 M.C.C. 209 and 766 (except commodities in bulk and hides), from Tupelo, Miss., to points in Alabama, Florida, Georgia, Illinois, Kansas, Louisiana, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Wisconsin.

NOTE.—Common control was approved in Docket Nos. MC–F–7942 and MC–F–8308. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 100666 (Sub-No. 272), filed February 26, 1974. Applicant: MELTON TRUCK LINES, INC., P.O. Box 7666, Shreveport, La. 71107. Applicant's representative: Wilburn L. Williamson, 3535 N. W. 58th, Suite 280, National Foundation Life Bldg., Oklahoma City, Okla. 73112. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe*, from Footville, Wis., to points in Alabama, Arkansas, Colorado, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, Tennessee and Texas.

NOTE.—Applicant states that the requested authority can be tacked with its existing authority in: (a) Sub-No. 153 at Ft. Smith, Ark.; (b) Sub-No. 154 at McPherson, Kans.; (c) Sub-No. 199 at New Orleans or Slidell, La.; (d) Sub-No. 202 at Pittsburg, Kans.; and (e) Sub-No. 212 at Houston, Tex., and Sub-No. 214 at Columbia, Miss., to serve points in the United States (except Alaska and Hawaii). If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex. or Chicago, Ill.

No. MC 102567 (Sub-No. 169), filed March 4, 1974. Applicant: McNAIR TRANSPORT, INC., 4295 Meadow Lane, P.O. Drawer 5357, Bossier City, La. 71010. Applicant's representative: Jo E. Shaw, 816 Houston First Savings Building, Houston, Tex. 77002. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Muriatic acid*, in bulk, in tank trucks, from Weeks, La., to points in Alabama, Arkansas, Florida, Illinois, Indiana, Mississippi, and Texas.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New Orleans, La. or Houston, Tex.

No. MC 102567 (Sub-No. 170), filed March 4, 1974. Applicant: McNAIR TRANSPORT, INC., 4295 Meadow Lane, P.O. Drawer 5357, Bossier City, La. 71010. Applicant's representative: Jo E. Shaw, 816 Houston First Savings Building, Houston, Tex. 77002. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, in bulk, in tank vehicles, from the plantsite and storage facilities of Mobil Oil Corporation located in or near El Dorado, Ark., to points in Caldwell, Catahoula, Concordia, East Carroll, Franklin, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll Parishes, La., restricted to traffic originating at said plant site and storage facilities and destined to points in the named parishes.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at New Orleans, La. of Houston, Tex.

No. MC 106274 (Sub-No. 21), filed February 21, 1974. Applicant: RAEFORD TRUCKING COMPANY, a Corporation, P.O. Box 219, Sanford, N.C. 27330. Applicant's representative: R. B. Guthrie (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber*, from points in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, to points in North Carolina, South Carolina, and points in Virginia on and south of U.S. Highway 460.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Albany, N.Y., or Boston, Mass.

No. MC 106401 (Sub-No. 35), filed February 19, 1974. Applicant: JOHNSON MOTOR LINES, INC., 2426 North Graham Street, P.O. Box 10877, Charlotte, N.C. 28201. Applicant's representative: Donald E. Cross, 700 World Center Bldg., 918 Sixteenth Street, N.W., Washington, D.C. 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), (1) Between Atlanta, Ga. and Columbus, Ga., serving all intermediate points: From Atlanta over Interstate Highway 85 to the junction of U.S. Highway 27 Alternate, thence over U.S. Highway 27 Alternate to the junction of Georgia Highway 85 West, thence over Georgia Highway 85 West to the junction of U.S. Highway 27 Alternate, thence over U.S. Highway 27 Alternate to Columbus, and return over the same route; (2) Between Columbus, Ga. and the junction of Georgia Highway 18 and U.S. Highway 27 Alternate, serving all intermediate way 27 Alternate to the junction of points: From Columbus over U.S. High-Highway 18 to the junction of U.S. Highway 27 Alternate, and return over the same route; (3) Between the junction of U.S. Highway 27 Alternate and Georgia Highway 85W near Shiloh, Ga. and the junction of U.S. Highway 27 Alternate and Georgia Highway 18, serving all intermediate points: From the junction of U.S. Highway 27 Alternate and Georgia Highway 85W over U.S. Highway 27 Alternate to the junction of Georgia Highway 85E, thence over Georgia Highway 85E to the junction of Georgia Highway 18, thence over Georgia Highway 18 to the junction of U.S. Highway 27 Alternate, and return over the same route:

(4) Between the junction of U.S. Highway 27 Alternate and Georgia Highway 36 and the junction of U.S. Highway 27 Alternate and Georgia Highway 41, serving all intermediate points: From the junction of U.S. Highway 27 Alternate and Georgia Highway 36 over Georgia Highway 36 to the junction of Georgia Highway 41, thence over Georgia Highway 41 to the junction of U.S. Highway 27 Alternate, and return over the same route; (5) Between the Georgia-South Carolina State Boundary line and Columbus, Ga., serving all intermediate points: From the Georgia-South Carolina State Boundary line over U.S. Highway 278 to the junction of Georgia Highway 16, thence over Georgia Highway 16 to the junction of Georgia Highway 22, thence over Georgia Highway 22 to the junction of Georgia Highway 49, thence over Georgia Highway 49 to the junction of U.S. Highway 80, thence over U.S. Highway 80 to Columbus, and return over the same route; (6) Between the Georgia-South Carolina State Boundary line and Atlanta, Ga., serving all intermediate points: From the Georgia-South Carolina State Boundary line over Interstate Highway 20 to Atlanta, and return over the same route; (7) Between the junction of Interstate Highway 20 and Georgia Highway 80 and the junction of U.S. Highway 278 and Georgia Highway 80, serving all intermediate points: From the junction of Interstate Highway 20 and Georgia Highway 80 over Georgia Highway 80 to the junction of U.S. Highway 278 and Georgia Highway 80, and return over the same route;

(8) Between Atlanta, Ga. and Albany, Ga., serving all intermediate points: (a) From Atlanta over U.S. Highway 19 to the junction of Georgia Highway 49, thence over Georgia Highway 49 to the junction of U.S. Highway 82, thence over U.S. Highway 82 to Albany, and return over the same route; and (b) From Atlanta over Interstate Highway 75 to the junction of Interstate Highway 475, thence over Interstate Highway 475 to the junction of Interstate Highway 75, thence over Interstate Highway 75 to the junction of Georgia Highway 257, thence over Georgia Highway 257 to Albany, and return over the same route; (9) Between the junction of Interstate Highway 75 and U.S. Highway 41 near Unadilla, Ga. and the junction of U.S. Highway 280 and U.S. Highway 41, serving all intermediate points: From the junction of U.S. Highway 41 and Interstate Highway 75 over U.S. Highway 41 to the junction of U.S. Highway 280, and return over the same route; (10) Between the Georgia-South Carolina State Boundary line and the junction of U.S. Highway 280 and Georgia Highway 257, serving all intermediate points: From the Georgia-South Carolina State Boundary line over U.S. Highway 1 to the junction of U.S. Highway 221, thence over U.S. Highway 221 to the junction of U.S. Highway 319, thence over U.S. Highway 319 to the junction of Georgia Highway 257, thence over Georgia Highway 257 to the junction of U.S. Highway 280, and return over the same route; (11) Between Columbus, Ga. and Blakely, Ga., serving all intermediate points: From Columbus over U.S. Highway 27 to Blakely, and return over the same route;

(12) Between the junction of U.S. Highway 27 and U.S. Highway 280 and Americus, Ga., serving all intermediate points: From the junction of U.S. Highway 280 and U.S. Highway 27 over U.S.

Highway 280 to Americus, and return over the same route; (13) Between the junction of Interstate Highway 85 and U.S. Highway 27 Alternate and Columbus, Ga., serving all intermediate points: From the junction of Interstate Highway 85 and U.S. Highway 27 Alternate over Interstate Highway 85 to the junction of Interstate Highway 185, thence over Interstate Highway 185 to Columbus, and return over the same route; (14) Between Atlanta, Ga. and Rossville, Ga., serving all intermediate points: (a) From Atlanta over U.S. Highway 41 to the junction of Georgia Highway 2, thence over Georgia Highway 2 to the junction of U.S. Highway 27, thence over U.S. Highway 27 to Rossville, and return over the same route; and (b) From Atlanta over Interstate Highway 75 to the junction of Georgia Highway 2, thence over Georgia Highway 2 to the junction of U.S. Highway 27, thence over U.S. Highway 27 to Rossville, and return over the same route; (15) Between the junction of U.S. Highway 41 and U.S. Highway 411 and Rossville, Ga., serving all intermediate points: From the junction of U.S. Highway 41 and U.S. Highway 411 over U.S. Highway 411 to the junction of U.S. Highway 27, thence over U.S. Highway 27 to Rossville, and return over the same route; (16) Between Rome, Ga. and the junction of Georgia Highway 53 and U.S. Highway 41, serving all intermediate points: From Rome over Georgia Highway 53 to the junction of U.S. Highway 41, and return over the same route;

(17) Between the junction of U.S. Highway 27 and Georgia Highway 140 and the junction of Georgia Highway 53 and Georgia Highway 140, serving all intermediate points: From the junction of U.S. Highway 27 and Georgia Highway 140 over Georgia Highway 140 to the junction of Georgia Highway 53, and return over the same route; (18) Between the junction of U.S. Highway 41 and Interstate Highway 75 and Eton, Ga., serving all intermediate points: From the junction of U.S. Highway 41 and Interstate Highway 75 over Georgia Highway 225 to the junction of U.S. Highway 76, thence over U.S. Highway 76 to the junction of U.S. Highway 411, thence over U.S. Highway 411 to Eton, and return over the same route; (19) Between the junction of Georgia Highway 53 and U.S. Highway 41 and Ranger, Ga., serving all intermediate points: From the junction of Georgia Highway 53 and U.S. Highway 41 over Georgia Highway 53 to the junction of U.S. Highway 411, thence over U.S. Highway 411 to Ranger, and return over the same route; (20) Between the junction of Georgia Highway 49 and Interstate Highway 75 and the junction of Interstate Highway 475 and Interstate Highway 75, serving all intermediate points: From the junction of Georgia Highway 49 and Interstate Highway 75 over Interstate Highway 75 to the junction of Interstate Highway 475, and return over the same route;

(21) Between Louisville, Ga. and Cordele, Ga., serving all intermediate points: From Louisville over U.S. Highway 1 to the junction of Georgia Highway 297, thence over Georgia Highway 297 to Vidalia, thence over U.S. Highway 280 to Cordele, and return over the same route; (22) Between the junction of U.S. Highway 280 and U.S. Highway 319 and Albany, Ga., serving all intermediate points: From the junction of U.S. Highway 280 and U.S. Highway 319 over U.S. Highway 319 to the junction of U.S. Highway 82, thence over U.S. Highway 82 to Albany, and return over the same route; (23) Between Rochelle, Ga. and Fitzgerald, Ga., serving all intermediate points: From Rochelle over Georgia Highway 215 to the junction of Georgia Highway 90, thence over Georgia Highway 90 to Fitzgerald, and return over the same route; (24) Between the junction of U.S. Highway 1 and Georgia Highway 297 and Waycross, Ga., serving all intermediate points: From the junction of U.S. Highway 1 and Georgia Highway 297 over U.S. Highway 1 to Waycross, and return over the same route; (25) Between Waycross, Ga. and Tifton, Ga., serving all intermediate points: From Waycross over U.S. Highway 82 to Tifton, and return over the same route; (26) Between Ocilla, Ga. and Nashville, Ga., serving all intermediate points: From Ocilla over U.S. Highway 129 to Nashville, and return over the same route; (27) Between Vidalia, Ga. and Nashville, Ga., serving all intermediate points: From Vidalia over Georgia Highway 130 to the junction of Georgia Highway 135, thence over Georgia Highway 135 to the junction of Georgia Highway 76, thence over Georgia Highway 76 to Nashville, and return over the same route;

(28) Between Nashville, Ga. and Moultrie, Ga., serving all intermediate points: From Nashville over Georgia Highway 76 to Adel, thence over Georgia Highway 37 to Moultrie, and return over the same route; (29) Between Albany, Ga. and Thomasville, Ga., serving all intermediate points: (a) From Albany over U.S. Highway 19 to the junction of U.S. Highway 19 Business, thence over U.S. Highway 19 Business to Thomasville, and return over the same route; and (b) From Albany over U.S. Highway 19 to the junction of Georgia Highway 133, thence over Georgia Highway 133 to Moultrie, Ga., thence over U.S. 319 to Thomasville, and return over the same route; (30) Between Albany, Ga. and Arlington, Ga., serving all intermediate points: From Albany over Georgia Highway 91 to the junction of Georgia Highway 62, thence over Georgia Highway 62 to Arlington, and return over the same route; (31) Between Columbus, Ga. and the Georgia-South Carolina State Boundary line, serving all intermediate points: (a) From Columbus over U.S. Highway 80 to the junction of Georgia Highway 96 at Geneva, Ga., thence over Georgia Highway 96 to the junction of Georgia Highway 358, thence over Georgia Highway 358 to the junction of U.S. Highway 80 at or near Danville, Ga., thence over U.S. Highway 80 to the junction of U.S. Highway 17 at or near Garden City, Ga; thence over U.S. Highway 17 to the Georgia-South Carolina State Boundary line, and return over the same route; and (b) From Columbus over U.S. Highway 80 to the junction of Interstate Highway 95 at or near Pooler, Ga., thence over Interstate Highway 95 to the Georgia-South Carolina State Boundary line, and return over the same route;

(32) Between Vidalia, Ga. and the junction of U.S. Highways 280 and 80 at or near Blitchton, Ga., serving all intermediate points: From Vidalia over U.S. Highway 280 to junction U.S. Highway 80 at Blitchton, and return over the same route, Serving all points in Georgia as off-route points in connection with the above described Routes numbered (1) through (32) inclusive. RESTRICTION: The service authorized in (1) through (32) above is subject to the following conditions: All shipments transported by carrier over the above described routes shall be restricted to those shipments moving to, from, or through points in South Carolina; (33) Between Charleston, S.C. and the junction of U.S. Highway 78 and U.S. Highway 1, serving all intermediate points: From Charleston over U.S. Highway 78 to the junction of U.S. Highway 1, and return over the same route; (34) Between Charleston, S.C. and the junction of Interstate Highway 26 and U.S. Highway 1, serving all intermediate points: From Charleston over Interstate Highway 26 to the junction of U.S. Highway 1, and return over the same route; and (35) Between Charleston, S.C. and the South Carolina-Georgia State line, serving all intermediate points: (a) From Charleston over U.S. Highway 17 to the South Carolina-Georgia State line, and return over the same routes; and (b) From Charleston over U.S. Highway 17 to the junction of Interstate Highway 95, thence over Interstate Highway 95 to the South Carolina-Georgia State line, and return over the same route, Serving all points in South Carolina as off-route points in connection with the above described Routes numbered (33) through (35) inclusive.

NOTE.—Common control may be involved. Applicant seeks to convert its Sub-No. 13 irregular route authority to regular route and, additionally, seeks to eliminate its Sub-No. 13 Graniteville, S.C., gateway on traffic moving to and from Georgia. If a hearing is deemed necessary, the applicant requests it be held at Washington, D.C.

No. MC 106644 (Sub-No. 174) filed February 27, 1974. Applicant: SUPERIOR TRUCKING COMPANY, INC., 2770 Peyton Road, N.W., P.O. Box 916, Atlanta, Ga. 30318 (30301). Applicant's representative: W. Randall Tye, 1500 Candler Building, Atlanta, Ga. 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Electric transformers*, for power and lighting; and (2) *related items* from Cerritos, Calif., to points in Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, New

Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Los Angeles, Calif., or Washington, D.C.

No. MC 106674 (Sub-No. 128), filed February 28, 1974. Applicant: SCHILLI MOTOR LINES, INC., P.O. Box 123, Remington, Ind. 47977. Applicant's representative: Jerry L. Johnson (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Buildings*, complete, knocked down or in sections; (2) *building sections and building panels;* (3) *parts and accessories* used in the insulation thereof; and (4) *metal prefabricated structural components and panels*, from the facilities of Kirby Building Systems, Inc., at or near Portland, Tenn., to points in Kentucky, Indiana, Ohio, Michigan, Wisconsin, Illinois, Pennsylvania, New York, West Virginia, Virginia, New Jersey, Delaware, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Oklahoma, Texas, Arkansas, Maryland, Massachusetts, Missouri, Louisiana, Florida, Iowa, Kansas, Nebraska, Rhode Island, Vermont, New Hampshire, Maine, Connecticut, Colorado, and New Mexico.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Washington, D.C.

No. MC 107403 (Sub-No. 886), filed Feb. 25, 1974. Applicant: MATLACK, INC., Ten West 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: (1) *Silicate of soda, dry*, in bulk, in hopper type vehicles, from Cincinnati, Ohio, to Muscatine, Iowa; (2) *#6 fuel oil*, in bulk, in tank vehicles, from Three Rivers (Onondaga County), N.Y., to Ottawa (Putnam County), Ohio; and (3) *dry plastic resin*, in bulk, from Holland, N.Y., to Corry, Erie, Franklin and Warren, Pa.; Buffalo, Jamestown, Lockport and Rochester, N.Y., and Glen Dale, W. Va.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 107403 (Sub-No. 889), filed March 1, 1974. Applicant: MATLACK, INC., 10 West 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: *Nickel pellets*, in bulk, from the ports of entry on the International Boundary line between the United States and Canada located in New York and Michigan to points in the United States (except Alaska and Hawaii), restricted to traffic originating in the Province of Ontario, Canada.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 107403 (Sub-No. 890), filed March 1, 1974. Applicant: MATLACK, INC., Ten West 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: (1) *Nitroparaffin derivatives*, in bulk, in tank vehicles, from Terre Haute, Ind. to Sterlington, La.; (2) *denatured alcohol*, in bulk, in tank vehicles, from Lawrenceburg, Ind. to Dover, Del.; and (3) *matrix mortar compound*, dry, in bulk, in tank vehicles, from the plant site of Chemtree Corporation at Central Valley, N.Y. to points in the United States (except Alaska and Hawaii).

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 107515 (Sub-No. 892) (AMENDMENT), filed January 31, 1974, published in the FR issue of March 14, 1974, republished in the FR issue of March 28, 1974, and in the third publication, as amended this issue. Applicant: REFRIGERATED TRANSPORT, CO., INC., P.O. Box 308, 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: *Foodstuffs* (except commodities in bulk, in tank vehicles), in vehicles equipped with mechanical refrigeration, from the plantsite and other facilities utilized by The Nestle Co., Inc., at or near Burlington, Wis., to points in the United States (except Alaska and Hawaii), restricted to traffic originating at the named origins and destined to the named destinations.

NOTE.—The purpose of this republication is to amend the applicant's territorial description and to add a restriction. Common control may be involved. Dual operations may be involved also. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at (1) New York, N.Y.; (2) Atlanta, Ga.; or (3) Chicago, Ill.

No. MC 108207 (Sub-No. 382) (CORRECTION), filed February 4, 1974, published in the FR issue of March 21, 1974, and republished as corrected this issue. Applicant: FROZEN FOOD EXPRESS, INC., P.O. Box 5888, Dallas, Tex. 75222. Applicant's representative: J. B. Ham (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, frozen and non-frozen, and non-edible foods (except commodities in bulk), from Logansport, Ind., to points in Iowa, Nebraska, Missouri, Kansas, Arkansas, Oklahoma, Mississippi, Louisiana, Texas, New Mexico, Arizona, California, Minnesota, and Tennessee.

NOTE.—The purpose of this republication is to change MC–109207 (Sub-No. 382) to MC–108207 (Sub-No. 382), which was previously published incorrectly. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C. or Dallas, Tex.

No. MC 108207 (Sub-No. 384), filed March 1, 1974. Applicant: FROZEN FOOD EXPRESS, INC., P.O. Box 5888, Dallas, Tex. 75222. Applicant's representative: J. B. Ham (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Canned and bottled foodstuffs* in vehicles equipped with mechanical refrigeration, from Cade and Lozes, La., to points in Texas, Arkansas, Mississippi and Memphis, Tenn., restricted to traffic originating at the named origin.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New Orleans, La. or Dallas, Tex.

No. MC 109026 (Sub-No. 16) filed February 28, 1974. Applicant: MANNING MOTOR EXPRESS, INC., P.O. Box 685, Glasgow, Ky. 42141. Applicant's representative: John M. Nader, P.O. Box E, Bowling Green, Ky. 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), between Gallatin, Tenn. and Glasgow, Ky., serving no intermediate points: From Gallatin over U.S. Highway 31–E to Glasgow, and return over the same route.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Nashville, Tenn. or Louisville, Ky.

No. MC 109689 (Sub-No. 264) filed February 22, 1974. Applicant: W. S. HATCH CO., a Corporation, 643 South 800 West, Woods Cross, Utah 84087. Applicant's representative: Mark K. Boyle, 345 South State Street, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, in bulk, (1) from Salt Lake City and points within 10 miles thereof, to points in Arizona, Idaho, Wyoming and Nevada; and (2) from points in Wyoming to Salt Lake City, Utah and points within 10 miles thereof.

NOTE.—Applicant states that the requested authority can be tacked with its existing authority on petroleum and petroleum products as follows: in Sub-No. 38 at Fredonia,

Ariz. to serve points in New Mexico and Colorado; in Sub-No. 3 at Salt Lake City, Utah to provide a through service from points in Wyoming to points in Lincoln, White Pine, Elko, Eureka, Nye, Lander, Pershing and Humbolt Counties, Nev.; in Sub-No. 52 at Salt Lake City, Utah to provide a through service from points in Wyoming to points in Utah; on petrochemicals, in Sub-No. 26 at Salt Lake City, Utah to provide a through service from points in Wyoming to points in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico and Utah; and on road oil and asphalt, in Sub-No. 25 at Salt Lake City, Utah to provide a through service from points in Wyoming to points in Idaho south of the southern border of Idaho County, Idaho. If a hearing is deemed necessary, applicant requests it be held at Salt Lake City, Utah.

No. MC 109689 (Sub-No. 265), filed February 27, 1974. Applicant: W. S. HATCH CO., a corporation, 643 South 800 West, Woods Cross, Utah 84087. Applicant's representative: Mark K. Boyle, 345 South State Street, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Acids and chemicals*, between points in California, on the one hand, and, on the other, points in Texas.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary applicant requests it be held at Los Angeles, Calif.

No. MC 110420 (Sub. No. 705) filed February 28, 1974. Applicant: QUALITY CARRIERS, INC., P.O. Box 186, Pleasant Prairie, Wis. 53158. Applicant's representative: David A. Petersen (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Chemicals*, in bulk, in tank or hopper type vehicles, between Union, Ill., on the one hand, and, on the other, points in Indiana, Iowa, Michigan, Minnesota, Missouri, New York, Ohio and Wisconsin.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110420 (Sub-No. 706), filed February 28, 1974. Applicant: QUALITY CARRIERS, INC., P.O. Box 186, Pleasant Prairie, Wis. 53158. Applicant's representative: David A. Petersen (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Spent acids*, in bulk, in tank vehicles, from Burns Harbor, Ind., to points in Michigan.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110420 (Sub-No. 707), filed February 28, 1974. Applicant: QUALITY CARRIERS, INC., P.O. Box 186, Pleasant Prairie, Wis. 53158. Applicant's representative: E. Stephen Heisley, 666 11th Street NW., Washington, D.C. 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from Lake Bluff, Ill., to points in Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110420 (Sub-No. 708), filed March 1, 1974. Applicant: QUALITY CARRIERS, INC., P.O. Box 186, Pleasant Prairie, Wis. 53158. Applicant's representative: David A. Petersen (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Vegetable oils and vegetable oil products*, in bulk, in tank vehicles, from Mankato, Minn., to points in Illinois, Indiana, Iowa, Michigan, Missouri, Ohio, Pennsylvania, and Wisconsin.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 110563 (Sub-No. 130), filed February 26, 1974. Applicant: COLDWAY FOOD EXPRESS, INC., P.O. Box 747, Ohio Building, Sidney, Ohio 45365. Applicant's representative: Joseph M. Scanlan, 111 W. Washington, Chicago, Ill. 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen vegetables, and frozen vegetable products*, from the storage and warehouse facilities utilized by Delicious Foods Company, at or near Omaha, Nebr., to points in Minnesota, Wisconsin, Illinois, Indiana, Michigan, Ohio, Pennsylvania, New York, New Jersey, Maryland, Delaware, Connecticut, Massachusetts, Vermont, New Hampshire, Maine, Rhode Island and the District of Columbia, restricted to traffic originating at the above origin point.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Lincoln or Omaha, Nebr.

No. MC 110563 (Sub-No. 131), filed March 1, 1974. Applicant: COLDWAY FOOD EXPRESS, INC., P.O. Box 747, Ohio Building, Sidney, Ohio 45365. Applicant's representative: John L. Maurer (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Margarine and dairy products*, from the plantsites and warehouse facilities utilized by Land O'Lakes at or near Chicago, Ill., to points in Connecticut, Maine, Vermont, Massachusetts, New Hampshire, Rhode Island, New York, New Jersey, Delaware, Maryland, District of Columbia, Virginia, West Virginia, and Pennsylvania, restricted to traffic originating at the named origin points.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 110563 (Sub-No. 134), filed March 1, 1974. Applicant: COLDWAY FOOD EXPRESS, INC., P.O. Box 747, Ohio Building, Sidney, Ohio 45365. Applicant's representative: John L. Maurer (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except commodities in bulk in tank vehicles), from the plantsites and warehouses facilities utilized by Capitol City Products Co. (Division of Stokley Van Camp, Inc.) located at or near Columbus, Ohio, to points in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia, restricted to traffic originating at the above named origin points.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 111301 (Sub-No. 17), filed February 26, 1974. Applicant: L. J. KREUTZER, doing business as KREUTZER MOTOR EXPRESS, 1423 3rd Avenue, P.O. Box 1056, Mankato, Minn. 56001. Applicant's representative: F. H. Kroeger, 2288 University Avenue, St. Paul, Minn. 55114. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe*, from Mankato, Minn., to points in Montana and Wyoming, under contract with Century Utility Products, Inc.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at either St. Paul or Minneapolis, Minn.

No. MC 111785 (Sub-No. 56), filed February 27, 1974. Applicant: BURNS MOTOR FREIGHT, INC., RFD #1 U.S. Highway No. 219 North, P.O. Box 149, Marlinton, W. Va. 24954. Applicant's representative: Theodore Polydoroff, Suite 600, 1250 Connecticut Ave., NW., Washington, D.C. 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting. *Particle board*, from Lenoir, N.C., to Elkins, W. Va.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 112713 (Sub-No. 162), filed February 25, 1974. Applicant: YELLOW FREIGHT SYSTEM, INC., P.O. Box 7270, 10990 Roe Avenue, Shawnee Mission, Kans. 66207. Applicant's representative: David B. Schneider (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by

the Commission, commodities in bulk, and those requiring special equipment), serving points in Edgefield County, S.C., as off-route points in connection with carrier's regular route operations to and from Augusta, Ga.

NOTE.—Common control may be involved. If a hearing is deemed necessary, the applicant requests it be held at Atlanta, Ga.

No. MC 112750 (Sub-No. 308), filed February 25, 1974. 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 *contract carrier*, by motor vehicle, over irregular routes, transporting: *Commercial papers, documents, written instruments* (except currency and negotiable securities), as are used in the business of banks and banking institutions, (1) between Bettendorf, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Fort Dodge, Mason City, Sioux City and Waterloo, Iowa, and Omaha, Nebr., on the one hand, and, on the other, Sioux Falls, S. Dak., La Crosse, Wis., and points in Blue Earth, Brown, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Hennepen, Houston, Jackson, Le Sueur, Martin, Mower, Murray, Nobles, Nicollet, Olmstead, Pipestone, Ramsey, Rice, Rock, Scott, Steele, Wabasha, Waseca, Watonwan, and Winona Counties, Minn.; (2) between points in Missouri and Cairo, Ill., on the one hand, and, on the other, Memphis, Tenn.; and (3) Between Minneapolis, Minn. and Sheboygan, Wis., under a continuing contract or contracts with banks and banking institutions.

NOTE.—Common control and dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 112893 (Sub-No. 50), filed February 28, 1974. Applicant: BULK TRANSPORT COMPANY, a Corporation, P.O. Box 186, Pleasant Prairie, Wis. 53158. Applicant's representative: E. Stephen Heisley 666 11th St., N.W., Washington, D.C. 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum products*, from Madison, Milwaukee, and Janesville, Wis., to points in the Upper Peninsula of Michigan.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 113267 (Sub-No. 312), filed February 28, 1974. Applicant: CENTRAL AND SOUTHERN TRUCK LINES, INC., 3385 Airways Blvd., Suite 115, Memphis, Tenn. 38116. Applicant's representative: Lawrence A. Fischer (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat by-products, and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, (except hides and commodities in bulk), from Memphis, Tenn., to points in Florida, Georgia, Louisiana, North Carolina, Ohio, South Carolina, Virginia, West Virginia, Alabama, and Mississippi, restricted to traffic orginating at the named origin and destined to the named destination states.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Memphis, Tenn., or St. Louis, Mo.

No. MC 113908 (Sub-No. 302) (CORRECTION), filed February 4, 1974, published in the FR issue of March 21, 1974, and republished as corrected this issue. 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: (1) *Neutral spirits*, in bulk, from Bakersfield, Delano, Fresno, Lodi and Madera, Calif., to points in Canandaigua, N.Y.; Patrick, S.C.; and Petersburg, Va.; (2) *alcoholic liquors*, in bulk, from the port of entry on the International Boundary line between the United States and Canada at or near Sweetgrass, Mont., to points in Cincinnati, Ohio; and (3) *alcoholic liquors and neutral citrus residue brandy*, in bulk, from Auburndale and Lake Alfred, Fla., to points in Burlingame, Calif.

NOTE.—The purpose of this republication is to correct the origin point in (1) above, which was previously published incorrectly. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo. or Chicago, Ill.

No. MC 113908 (Sub-No. 304), filed February 6, 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: (1) *Methanol*, in bulk, from points in Florida, to Springfield, Mo.; and (2) *chemicals*, in bulk, from Springfield, Mo., to points in Florida.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.; Chicago, Ill. or Washington, D.C.

No. MC 114004 (Sub-No. 139), filed February 28, 1974. Applicant: CHANDLER TRAILER CONVOY, INC., 8828 New Benton Highway, Little Rock, Ark. 72209. Applicant's representative: Harold G. Hernly, 118 North St. Asaph Street, Alexandria, Va. 22314. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Trailers, designed to be drawn by passenger automobiles*, in initial movements; and (2) *buildings mounted on wheeled undercarriages, equipped with hitchball connections from origins which are points of manufacture*, from points in Brunswick County, Va., to points in the United States including Alaska but excluding Hawaii.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Richmond, Va. or Washington, D.C.

No. MC 114533 (Sub-No. 293), filed February 23, 1974. Applicant BANKERS DISPATCH CORPORATION, 4970 South Archer Avenue, Chicago, Ill. 60632. Applicant's representative: Warren W. Wallin, 330 S. Jefferson Street, Chicago, Ill. 60606. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Audit media and other business records*, between Topeka, Kans., on the one hand, and, on the other, Points in Missouri west of U.S. Highway 63 and north of Interstate Highway 44 and points in Nebraska south of U.S. Highway 30.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Kansas City, Mo. or Topeka, Kans.

No. MC 115311 (Sub-No. 163), filed February 25, 1974. Applicant: J & M TRANSPORTATION CO., INC., P.O. Box 488, Milledgeville, Ga. 31061. Applicant's representative: Paul M. Daniell, P.O. Box 872, Atlanta, Ga. 30301. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe, tubing, conduits, molding valves, fittings, siding, compounds, joint sealer, bonding cement, and accessories and materials* used in the installation thereof (except in bulk), from points in Thomas County, Ga., to points in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 115821 (Sub-No. 15), filed February 26, 1974. Applicant: FRANK BEELMAN, doing business as BEELMAN TRUCK CO., St. Libory, Ill. 62282. Applicant's representative: Ernest A. Brooks II, 1301 Ambassador Building, St. Louis, Mo. 63101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pulverized limestone*, in bulk, in pneumatic tank trailers, from Valmeyer, Ill., to Mt. Vernon, Ind.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo. or Chicago, Ill.

No. MC 116004 (Sub-No. 31), filed February 28, 1974. Applicant: TEXAS-OKLAHOMA EXPRESS, INC., P.O. Box 47112, Dallas, Tex. 75247. Applicant's representative: Clayte Binion, 1108 Continental Life Bldg., Fort Worth, Tex. 76102. Authority sought to operate as a

common carrier, by motor vehicle, over regular routes, transporting: *General Commodities*, (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), (1) Between Dallas, Tex. and Chickasha, Okla.: (a) From Dallas over Texas Highway 114 to the junction of Texas Highway 114 and U.S. Highway 81, thence over U.S. Highway 81 to Chickasha, Okla., and return over the same route, serving Duncan, Okla. as an intermediate point; and (b), From Dallas over Texas Highway 114 to junction Texas Highway 114 and U.S. Highway 81, thence over U.S. Highway 81 to the junction of U.S. Highways 287 and 81 at Bowie, Tex., thence over U.S. Highway 287 to junction U.S. Highway 281 at or near Wichita Falls, Tex., thence over U.S. Highway 281 to the H. E. Bailey Turnpike, thence over the H. E. Bailey Turnpike to Chickasha, Okla., and return over the same route, serving Lawton and Fort Sill, Okla. as intermediate points; (2) Between Fort Worth, Tex. and Chickasha, Okla.: (a) From Fort Worth over U.S. Highway 81 to Chickasha, Okla., and return over the same route, serving Duncan, Okla., as an intermediate point; and (b), From Fort Worth over U.S. Highway 81 to junction U.S. Highways 81 and 287, thence over U.S. Highway 287 to junction U.S. Highway 287 and 281, thence over U.S. Highway 281 to the H. E. Bailey Turnpike, thence over the H. E. Bailey Turnpike to Chickasha, Okla., serving the intermediate points of Lawton and Fort Sill, Okla.; and (3) Between Lawton, Okla. and Duncan, Okla.: From Lawton, Okla. over Oklahoma Highway 7, to Duncan and return over the same route.

NOTE.—If a hearing is deemed necessary, the applicant requests it be held at Oklahoma City, Okla. or Dallas, Tex.

No. MC 117119 (Sub-No. 497), filed February 25, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs, frozen and non-frozen, and nonedible foods*, (except commodities in bulk), from the facilities of Southern Michigan Cold Storage Co., Logansport Refrigerated Services Division, located at or near Logansport, Ind. to points in Florida, Georgia, North Carolina, South Carolina, Maryland, Pennsylvania, Massachusetts, New York, Virginia, Texas, Oklahoma, Louisiana, California, Oregon, Washington, and District of Columbia, restricted to traffic originating at the above-named origin point.

NOTE.—Common control and dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Chicago, Ill. or St. Louis, Mo.

No. MC 117815 (Sub-No. 228), filed March 1, 1974. Applicant: PULLEY FREIGHT LINES, INC., 405 S.E. 20th Street, Des Moines, Iowa 50317. 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: *Foodstuffs*, from Plover, Wis., to points in Iowa, Nebraska, Missouri, Kansas, Illinois, Indiana, Michigan and Minnesota.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Milwaukee, Wis. or Chicago, Ill.

No. MC 117940 (Sub-No. 112), filed February 25, 1974. Applicant: NATIONWIDE CARRIERS, INC., P.O. Box 104, Maple Plain, Minn. 55359. Applicant's representative: Donald L. Stern, Suite 530, Univac Building, 7100 West Center Road, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Candy and confectionery and related products* (except in bulk) and (2) *advertising matter, premium and display materials* when shipped in the same vehicle with commodities described in (1) in vehicles equipped with mechanical refrigeration, from the plant site and warehouse facilities of M&M/MARS, Division of Mars, Inc. at Hackettstown, N.J., to Chicago, Ill. and the Chicago Commercial Zone, restricted to the transportation of traffic originating at the plant site and warehouse facilities of M&M/MARS, Division of Mars, Inc. at Hackettstown, N.J.

NOTE.—Applicant holds contract carrier authority in MC-114789 (Sub-No. 1) and other Subs, therefore dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Hackettstown or Newark, N.J.

No. MC 117940 (Sub-No. 114), filed March 1, 1974. Applicant: NATIONWIDE CARRIERS, INC., P.O. Box 104, Maple Plain, Minn. 55359. Applicant's representative: Donald L. Stern, Suite 530, Univac Building, 7100 West Center Road, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Bananas;* and (2) *agricultural commodities* exempt from economic regulations under Section 203 (b) (6), when transported in mixed loads with bananas, from Mobile, Ala. and Tampa, Fla., to ports of entry on the International Boundary line between the United States and Canada located in Minnesota and North Dakota.

NOTE.—Applicant holds contract authority in MC-114789 Sub 1 and other subs, therefore dual operatons may be involved. Applicant states that the requested auhority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Miami, Fla. or Minneapolis, Minn.

No. MC 118202 (Sub-No. 32), filed March 1, 1974. Applicant: SCHULTZ TRANSIT, INC., P.O. Box 503, Winona, Minn. 55987. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat by-products and articles distributed by meat packinghouses* (except commodities in bulk and hides), from the plantsite and/or warehouse facilities utilized by Geo. A. Hormel & Co. at or near Fremont, Nebr. and Fort Dodge and Algona, Iowa, to points in Maine, Massachusetts, Connecticut, Delaware, New York, New Jersey, Pennsylvania, New Hampshire, District of Columbia, Maryland, Rhode Island, Virginia, West Virginia, and Vermont, restricted to traffic originating at the named origins and destined to the named destinations.

NOTE.—Applicant holds contract authority in MC-134631 Sub 4 and other subs, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 118202 (Sub-No. 34), filed March 1, 1974. Applicant: SCHULTZ TRANSIT, INC., P.O. Box 503, Winona, Minn. 55987. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat by-products and articles distributed by meat packinghouses* (except commodities in bulk and hides), from the plantsite and/or warehouse facilities utilized by Geo. A. Hormel and Co. at or near Huron and Mitchell, S. Dak., to points in Maine, Massachusetts, Connecticut, Delaware, New York, New Jersey, Pennsylvania, New Hampshire, District of Columbia, Maryland, Rhode Island, Virginia, West Virginia, and Vermont, restricted to traffic originating at the named origins and destined to the named destinations.

NOTE.—Applicant holds contract authority in MC-134631 Sub 4 and other Subs, therefore dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 118270 (Sub-No. 9), filed February 27, 1974. Applicant: PRODUCE TRANSPORT SERVICE, INC., 181 W. Rampo Street, Mahwah, N.J. 07430. Applicant's representative: Kenneth R. Davis, 999 Union Street, Taylor, Pa. 18517. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Cereal preparations* from Arcade, N.Y., to points in Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New Jersey, New York, Maryland, Vermont, Delaware and the District of Columbia; and (2) *materials and supplies* used in the manufacture of cereal preparations, from the New York, N.Y. Commercial Zone; Philadelphia, Pa.; and Baltimore, Md.; to Arcade, N.Y.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y.

No. MC 119422 (Sub-No. 55), filed February 26, 1974. Applicant: EE-JAY MOTOR TRANSPORTS, INC., 15th and Lincoln Streets, East St. Louis, Ill. 62204. Applicant's representative: Ernest A. Brooks, II, 1301 Ambassador Building, St. Louis, Mo. 63101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flour*, in bulk, (1) from Springfield, Ill., to points in Michigan, Indiana, Ohio, Pennsylvania, Illinois and Wisconsin; and (2) from St. Louis, Mo., to points in Colorado, Louisiana, New Mexico and Texas.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo. or Chicago, Ill.

No. MC 119489 (Sub. No. 33), filed February 25, 1974. Applicant: PAUL ABLER, doing business as CENTRAL TRANSPORT COMPANY, P.O. Box 249, Norfolk, Nebr. 68701. Applicant's representative: Gailyn L. Larsen, 521 South 14th Street, P.O. Box 81849, Lincoln, Nebr. 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia*, in bulk, in tank vehicles, from the Mapco, Inc. terminal, located approximately eight miles north of Clay Center, Kans., to points in Nebraska, Missouri and Iowa.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr., Omaha, Nebr., or Chicago, Ill.

No. MC 119493 (Sub-No. 108), filed February 25, 1974. Applicant: MONKEM COMPANY, INC., W. 20th Street Road, Joplin, Mo. 64801. Applicant's representative: Ray F. Kempt, P.O. Box 1196, Joplin, Mo. 64801. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Manufactured asphalt roofing, roofing sealer and coating*, in containers not to exceed 5 gallons, from the plantsite and warehouse facilities of Tamko Asphalt Products, Inc., located at or near Joplin, Mo. to points in Kentucky, Tennessee and Mississippi; (2) *Waste and mixed corrugated paper, waste rags, sawdust and wood chips*, from points in Nebraska, Iowa and Illinois to the plantsite of Tamko Asphalt Products Co., located at or near Joplin, Mo.; (3) *Animal feed and ingredients*, from the plantsite of Ragland Mills, Inc., located at or near Neosho, Mo. to points in Kentucky on and west of Interstate Highway 65; and (4), *Fertilizer, fertilizer ingredients and pesticides*, in containers, from the facilities of Swift Chemical Co., located at or near E. St. Louis, Ill. and Fairmont City, Ill., to points in Arkansas, Iowa, Kansas, Missouri, Nebraska and Oklahoma.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.

No. MC 119777 (Sub-No. 290), filed February 21, 1974. Applicant: LIGON SPECIALIZED HAULER, INC., P.O. Drawer "L", Madisonville, Ky. 42431. Applicant's representative: Ronald E. Butler (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural implements, disc harrows, chisel plows, seekers, hoppers*, knocked down or assembled, *and iron and steel articles* (except commodities which because of size or weight require the use of special equipment), from points in Sunflower and Forrest Counties, Miss. to points in the United States (except Alaska and Hawaii).

NOTE.—Common control and dual operations may be involved. Applicant states that the requested authority can be tacked with its existing authority transporting iron and steel articles at points in Sunflower and Forrest Counties, Miss., to provide a through service to points in the United States (except Alaska and Hawaii), from: (1) specified areas in Pennsylvania, Ohio, and West Virginia, in Sub-21; (2) Coalton (Boyd County), Ky. in Sub-27; (3) Evansville, Ind., in Sub-41; (4) Flint, Mich., in Sub-45; (5) Fairbury, Ill., in Sub-58; (6) points in Wayne and Cabell Counties, W. Va., in Sub-61; (7) Kokomo, Ind., in Sub-67; (8) Irvington, Sparta, Carlinville, Flora, and Centralia, Ill., points in Louisiana, and Missouri, in Sub-96; (9) Macedonia, Ohio, in Sub-171; (10) Newport, Ark., in Sub-172; (11) Eau Claire, Mich., in Sub-187; and (12) points in Lubbock County, Tex., in Sub-196. If a hearing is deemed necessary, applicant requests it be held at Jackson, Miss. or Washington, D.C.

No. MC 120325 (Sub-No. 3), filed February 19, 1974. Applicant: FRAMES, MORRISON & RYAN, INC., 1233 Wright's Lane, West Chester, Pa. 19380. Applicant's representative: Francis P. Desmond, 115 East Fifth Street, Chester, Pa. 19013. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fire extinguisher charges and compounds, nozzles, steel tanks, pipe fittings, trailers and hose reels and articles* used in the manufacture thereof, between the facility of National Foam System, Inc. in Uwchlan Township (Chester County), Pa., on the one hand, and, on the other, Philadelphia, Pa.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at West Chester or Philadelphia, Pa.

No. MC 120736 (Sub-No. 4) (CLARIFICATION), filed February 15, 1974, published in the FR issue of March 21, 1974, and republished, as clarified, this issue. Applicant: STROTHMAN EXPRESS, INC., 2735 Spring Grove Avenue, Cincinnati, Ohio 45225. Applicant's representative: Paul F. Berry, 8 East Broad Street, Columbus, Ohio 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, and commodities which because of size or weight require the use of special equipment), between Cincinnati, Ohio, on the one hand, and, on the other, points in Ohio.

NOTE.—The purpose of this republication is to indicate that applicant seeks to convert a Certificate of Registration in No. MC 120736 (Sub-No. 1) in lieu of a Permit No. MC 120736 (Sub-No. 1) as previously published, to a Certificate of Public Convenience and Necessity. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 123389 (Sub-No. 18), filed February 21, 1974. Applicant: CROUSE CARTAGE COMPANY, a Corporation, P.O. Box 151, Carroll, Iowa. Applicant's representative: William S. Rosen, 630 Osborn Building, St. Paul, Minn. 55102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel, and iron and steel articles*, from Chicago, Ill., and points within its Commercial Zone and points in Porter County, Ind., to points in Iowa and Nebraska.

NOTE.—Applicant indicates he will join the requested authority with the existing regular route authority in Sub-Nos. 1, 3 and 11. If a hearing is deemed necessary, applicant requests it be held at Des Moines, Iowa.

No. MC 123389 (Sub-No. 19), filed February 21, 1974. Applicant: CROUSE CARTAGE COMPANY, a Corporation, P.O. Box 151, Carroll, Iowa 51401. Applicant's representative: William S. Rosen, 630 Osborn Building, St. Paul, Minn. 55102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Gypsum and gypsum products* and *materials and supplies* used in the installation and distribution thereof, from Fort Dodge, Iowa, to points in North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Michigan, Missouri, Illinois, Wisconsin, and Indiana.

NOTE.—Applicant indicates he will join the requested authority with the existing regular route authority in Sub-No. 1, 3 and 11. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 124236 (Sub-No. 69), filed February 25, 1974. Applicant: CHEMICAL EXPRESS CARRIERS, INC., 1200 Simons Building, Dallas, Tex. 75201. Applicant's representative: Leroy Hallman, 4555 First National Bank Bldg., Dallas, Tex. 75202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fly ash*, from the Big Brown Steam Electric Generating Plant, located approximately twelve miles northeast of Fairfield, Tex., and the Monticello Steam Electric Generating Plant, located approximately twelve miles southwest of Mt. Pleasant, Tex., to points in Louisiana, Oklahoma, Kansas, New Mexico and Arkansas.

NOTE.—Common control may be involved. Applicant indicates that the requested authority can be tacked with its existing authority in Sub-No. 17, at Big Brown Steam Electric Generating Plant, located approximately twelve miles northeast of Fairfield, Tex., and the Monticello Steam Electric Generating Plant located approximately twelve miles southwest of Mt. Pleasant, Tex., to provide a through service from Jasper, Tex., to those destination points named above. If a hearing is deemed necessary, the applicant requests it be held at Dallas, Tex.

No. MC 124692 (Sub-No. 128) (CORRECTION), filed November 16, 1973, published in the FR issue of January 3, 1974, and republished as corrected this issue. Applicant: SAMMONS TRUCKING, a Corporation, P.O. Box 1447, Missoula, Mont. 59801. Applicant's representative: Gene P. Johnson, 425 Gate City Building, Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Asbestos cement pipe*, from the plantsite of Johns-Manville Products Corporation at or near Waukegan, Ill., to points in North Dakota, South Dakota, Minnesota, Montana, Wyoming, and Colorado, and (2) *building materials*, from the plantsites of Johns-Manville Products Corp., located at Waukegan, Ill. and Johns-Manville Perlite Corporation located at or near Joliet, Ill., to points in North Dakota, South Dakota, and Minnesota.

NOTE.—The purpose of this republication is to correct the origin and destination points of (2) above, as described herein. Applicant states that the requested authority can be tacked in Part (1) at Big Horn County, Wyo. to serve points in Oregon, Washington and Idaho with Sub-No. 41, and in Part (2), at Minneapolis or Duluth, Minn. to serve points in Montana with Sub-No. 12. If a hearing is deemed necessary, the applicant requests it be held at Denver, Colo. or Chicago, Ill.

No. MC 124711 (Sub-No. 28), filed February 22, 1974. Applicant: BECKER AND SONS, INC., P.O. Box 1050, El Dorado, Kans. 67042. Applicant's representative: T. M. Brown, 600 Leininger Building, Oklahoma City, Okla. 73112. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Asphalt*, in bulk, in tank vehicles, from points in Sedgwick and Saline Counties, Kans., to points in Missouri.

NOTE.—Applicant states that the requested authority can be tacked with its existing authority in Sub-No. 17, on oil, at points in Sedgwick and Saline Counties, Kans., to provide a through service from points in Potter and Randall Counties, Tex., to points in Missouri. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.; Topeka, Kans. or Oklahoma City, Okla.

No. MC 124854 (Sub-No. 14) (AMENDMENT), filed January 21, 1974, published in the FR issue of March 7, 1974, and republished as amended this issue. Applicant: GRIM BROS. TRUCKING CO., a Corporation, 997 Loucks Mill Road, York, Pa. 17402. Applicant's representative: Chester A. Zyblut, 1522 K Street, NW., Washington, D.C. 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Firebrick and refractory products*, from West Manchester (York County), Pa., to points in New Jersey, New York, Ohio, West Virginia, Maryland, Virginia, Maine and the District of Columbia.

NOTE.—The purposes of this republication are to indicate the additional commodity of refractory products and the additional destination State of Maine. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 124668 (Sub-No. 13), filed February 27, 1974. Applicant: INDEPENDENT DELIVERY, INC., 1000 S. Weller Street, Seattle, Wash. 98104. Applicant's representative: Russell S. Bernhard, 1625 K Street, N.W., Washington, D.C. 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Small radio units, television units, phonograph units, sound track units, tape recorder units, and electronic components and parts related thereto*, restricted against the transportation of packages or articles weighing in the aggregate more than 150 pounds from one consignor to one consignee on any one day, between Portland, Oreg., on the one hand, and, on the other, points in Clark, Cowlitz, and Lewis Counties, Wash.; (2) *ophthalmic goods, lenses, frames, cases, instruments, replacement parts, replacement tools, prescriptions and related documents*, 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, between Portland, Oreg., on the one hand, and, on the other, points in Clark, Cowlitz, and Lewis Counties, Wash.; (3) *exposed and processed film and prints, complimentary replacement film, incidental dealer handling supplies and advertising materials moving therewith* (excluding motion picture film used primarily for commercial theatre and television exhibition), between Portland, Oreg., on the one hand, and, on the other, points in Clark, Cowlitz, and Lewis Counties, Wash.; (4) *small copying machine parts, components and supplies, such as developer toner and paper*, restricted against the transportation of packages or articles weighing in the aggregate more than 150 pounds from one consignor to one consignee on any one day, from Portland, Oreg. to points in Clark, Cowlitz, and Lewis Counties, Wash.; and (5) *pharmaceuticals, proprietary and prescription drugs and medicines, vaccines, and documents and business papers pertaining thereto*, restricted against the transportation of packages or articles weighing in the aggregate more than 150 pounds from one consignor to one consignee on any one day, from Portland, Oreg., to points in Clark, Cowlitz, and Lewis Counties, Wash.

NOTE.—Common control and dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Portland, Oreg., or Seattle, Wash.

No. MC 124692 (Sub-No. 133), filed March 4, 1974. Applicant: SAMMONS TRUCKING, P.O. Box 4347, Missoula, Mont. 59801. Applicant's representative: Gene P. Johnson, 425 Gate City Building, Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed and feed ingredients* (except commodities in bulk, in tank vehicles), from points in Iowa and Minnesota, to points in Oregon and Utah.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at St. Paul, Minn., or Omaha, Nebr.

No. MC 126049 (Sub-No. 15), filed February 25, 1974. Applicant: DODEN TRUCKING COMPANY, INC., Woden, Iowa 50484. Applicant's representative: Clayton L. Wornson, 824 Brick & Tile Bldg., Mason City, Iowa 50401. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ice cream, ice milk and sherbet and ice cream, ice milk and sherbet novelty items*, in truckloads only, between Mason City, Iowa, on the one hand, and, on the other, St. Paul, Minn.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Mason City, Iowa, or Des Moines, Iowa.

No. MC 126198 (Sub-No. 14), filed March 1, 1974. Applicant: MICHAUD TRUCKING, INC., 133 Birch Street, Kingsford, Mich. 49801. Applicant's representative: Earl Michaud (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, namely *beer, ale, and malt* and related *advertisement materials* thereto, (1) from La Crosse and Sheboygan, Wis., to points in Mackinac County, Mich.; (2) from Columbus, Ohio, to points in Houghton and Delta Counties, Mich.; and (3) from St. Paul and Minneapolis, Minn., to points in Chippewa County and Mackinac County, Mich.; and *empty containers* on return.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Milwaukee, Wis.

No. MC 126503 (Sub-No. 6), filed February 22, 1974. Applicant: COMMAND DELIVERIES, INC., 5215 Hesperus Drive, Columbia, Md. 21044. Applicant's representative: Daniel B. Johnson, 716 Perpetual Bldg., 1111 E St., NW., Washington, D.C. 20004. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Such commodities as are usually sold by wholesale dealers in drugs and drugstore supplies*, from the District of Columbia and Baltimore, Md., to points in

Delaware, Maryland, that part of Virginia east of the Chesapeake Bay, and those points in north and east of Highland, Augusta, Nelson, Albermarle, Fluvanna, Cumberland, Prince Edward, Lunenburg, and Mecklenburg Counties, Va.; points in Mineral, Hampshire, Morgan, Jefferson, Hardy, and Berkeley Counties, W. Va., and those points in Adams, Franklin, Fulton, and Bedford Counties, Pa., and Pasquotank, Camden, and Dare Counties, N.C.; and (2) *return shipments*, of such commodities as are usually sold by wholesale dealers in drugs and drugstore supplies, from the destination points described in (1) above, to the District of Columbia and Baltimore, Md., under continuing contract or contracts with Spectro Industries, Inc.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 127625 (Sub-No. 15) (CORRECTION), filed February 1, 1974, published in the FR issue of March 14, 1974 and republished as corrected this issue. Applicant: SANTEE CEMENT CARRIERS, INC., P.O. Box 638, Holly Hill, S.C. 29059. Applicant's representative: Frank B. Hand, Jr., P.O. Box 446, Winchester, Va. 22601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fibreboard*, from the facilities of Holly Hill Lumber Company, located at or near Four Holes, S.C., to points in Alabama, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

NOTE.—The purpose of this republication is to correct the applicant's address as stated herein. Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either Columbia, S.C. or Atlanta, Ga.

No. MC 127651 (Sub-No. 22), filed February 25, 1974. Applicant: EVERETT G. ROEHL, INC., 201 W. Upham Street, Marshfield, Wis. 54449. Applicant's representative: Nancy J. Johnson, 4506 Regent Street, Suite 100, Madison, Wis. 53705. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Malt beverages and related advertising equipment, materials, premiums, and supplies when shipped therewith*, from Columbus, Ohio, to Marshfield and Stetsonville, Wis.; and (2) *return of rejected shipments and empty malt beverage containers*, from Marshfield and Stetsonville, Wis., to Columbus, Ohio.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either Marshfield, or Milwaukee, Wis.

No. MC 127651 (Sub-No. 25), filed March 4, 1974. Applicant: EVERETT G. ROEHL, INC., 201 W. Upham Street, Marshfield, Wis. 54449. Applicant's representative: Nancy J. Johnson, 4506 Regent Street, Suite 100, Madison, Wis. 53705. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Pallets and pallet parts*, from points in Wisconsin, to points in Indiana, Michigan, Ohio, Missouri, Kentucky, and Nebraska; and *materials and supplies* used in the manufacture of pallets and pallet parts, on return. (2) *pallet parts*, from points in Wisconsin, to points in Illinois and Minnesota; and *materials and supplies* used in the manufacture of pallets and pallet parts, on return.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either Marshfield, or Milwaukee, Wis.

No. MC 129445 (Sub-No. 15), filed February 11, 1974. Applicant: DIXIE TRANSPORT CO. OF TEXAS, a Corporation, P.O. Box 5447, Beaumont, Tex. 77706. Applicant's representative: Austin L. Hatchell, 1102 Perry Brooks Bldg., Austin, Tex. 78701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Chemicals and petroleum products* (except compressed gases and cryogenic liquids), in bulk, in tank vehicles, between points in Louisiana and Orange and Jefferson Counties, Tex.

NOTE.—Common control and dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Beaumont or Houston, Tex., or Lake Charles, La.

No. MC 133099 (Sub-No. 2), filed February 20, 1974. Applicant: THE GLASGOW & DAVIS CO., a Corporation, P.O. Box 1717, Salisbury, Md. 21801. Applicant's representative: Daniel B. Johnson, 716 Perpetual Building, 1111 E Street, N.W., Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Waste paper and waste cardboard*, for recycling purposes, from those points in Delaware, Maryland and Virginia south of a line beginning at the intersection of the Delaware-Pennsylvania State Boundary line and extending westerly along the Delaware-Pennsylvania State Boundary line to its intersection with the Maryland-Pennsylvania State Boundary line, thence along the Pennsylvania-Maryland State Boundary line to its intersection with the Susquehanna River, thence southerly along the Susquehanna River to its intersection with the Chesapeake Bay, to West Point, Va.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 133655 (Sub-No. 71), filed March 4, 1974. Applicant: TRANSNATIONAL TRUCK, INC., P.O. Box 4168, Amarillo, Tex. 79105. Applicant's representative: Charles W. Singer, Suite 1000, 327 S. La Salle St., Chicago, Ill. 60604. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Buffalo, N.Y., to points in Tennessee, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Nebraska, Kansas, Oklahoma, Texas, and New Mexico.

NOTE.—Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 133689 (Sub-No. 46), filed March 4, 1974. Applicant: OVERLAND EXPRESS, INC., 651 First St., S.W., P.O. Box 2667, New Brighton, Minn. 55112. Applicant's representative: Robert P. Sack, P.O. Box 6010, West St. Paul, Minn. 55118. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise, as is dealt in by wholesale, retail and chain grocery and food business houses;* and in connection therewith, *equipment, materials and supplies* used in the conduct of such business (except commodities in bulk), from the Jonathon Industrial Park at or near Chaska, Minn., to Champaign and Urbana, Ill.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either Minneapolis or St. Paul, Minn. or Chicago, Ill.

No. MC 134142 (Sub-No. 4) (PARTIAL CORRECTION), filed January 2, 1974, published in the FR issue of February 14, 1974, and republished, in part, as corrected, this issue. Applicant: BROWN REFRIGERATED EXPRESS, INC., P.O. Box 603, 21st and Sidney Street, Fort Scott, Kans. 66701. Applicant's representative: Daniel B. Johnson, 716 Perpetual Building, 1111 E Street, N.W., Washington, D.C. 20004.

NOTE.—The purpose of this partial republication is to indicate the correct Docket No. of MC 134142 (Sub-No. 4) previously published incorrectly as MC 123142 (Sub-No. 4). The rest of the notice remains as originally published.

No. MC 134182 (Sub-No. 21), filed March 1, 1974. Applicant: MILK-PRODUCERS MARKETING COMPANY, doing business as ALL STAR TRANSPORTATION, Second and West Turnpike Road, Lawrence, Kans. 66044. Applicant's representative: Lucy Kennard Bell, Suite 910 Fairfax Building, 101 W. 11th Street, Kansas City, Mo. 64105. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen batters*, from Tulsa, Okla., to points in Connecticut, Indiana, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia, and West Virginia.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.

No. MC 134280 (Sub-No. 3) filed February 22, 1974. Applicant: YOUNG'S EXPRESS, INC., 1217 W. Lexington Street, Baltimore, Md. 21223. Applicant's representative: Gilbert Rosenthal, 919 Blaustein Building, Baltimore, Md. 21201. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, packinghouse products and commodities used by packinghouses* (except commodities in bulk, in tank vehicles), as described in Section A of Appendix 1 to the report of the Commission in Descriptions in Motor Carrier Certificates, 67 M.C.C. 209 and 766; *seasonings and spices; advertising matter, forms, racks, signs and store displays; and commodities used in the manufacture, sale or distribution of meats and packinghouse products*, between Baltimore, Md., on the one hand, and, on the other Wilmington, N.C., under contract with H. G. Parks, Inc., at Baltimore, Md.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Baltimore, or Washington, D.C.

No. MC 134370 (Sub-No. 12), filed February 19, 1974. Applicant: OSBORNE TRUCKING CO., INC., 1008 Sierra Drive, Riverton, Wyo. 82501. Applicant's representative: Robert S. Stauffer, 3539 Boston Road, Cheyenne, Wyo. 82001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Lumber*, from Afton, Wyo., to points in Colorado, South Dakota and those points in that part of Nebraska on and west of U.S. Highway 83; (2) *lumber*, from Riverton, Wyo., to points in Colorado; (3) *lumber*, from Afton and Evanston, Wyo., to points in Iowa, Illinois and Missouri; (4) *lumber and lumber products*, from points in Montana, to points in Colorado; (5) *lumber*, from the facilities of U.S. Plywood Champion Papers, Inc. at or near Silver City and Browning, Mont., to points in Arkansas, Colorado, Idaho, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Utah and Wisconsin; (6) *lumber and lumber products*, from Evanston, Wyo., to points in that part of Nebraska located on and west of U.S. Highway 83, and points in Colorado; and (7) *lumber and lumber products*, from points in Montana, Wyoming, those in that part of Idaho in and north of Idaho County, those in Oregon on and west of U.S. Highway 97, and points in Washington in and west of the Cascade Mt. Range, to points in Arkansas, Colorado, Kansas, Idaho, Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Utah and Wisconsin.

NOTE.—By the instant application, applicant seeks: (A) to convert its contract carrier permits in No. MC-133741 and Sub-Nos. 3, 8, 9, 11 and 15, described in (1) through (6) above respectively, to a Certificate of Public Convenience and Necessity; and (B) to extend its existing common carrier authority as described in (7) above. Dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either Denver, Colo., Billings, Mont. or Casper, Wyo.

No. MC 134477 (Sub-No. 56), filed March 1, 1974. Applicant: SCHANNO TRANSPORTATION, INC., 5 West Mendota Road, West St. Paul, Minn. 55118. Applicant's representative: Thomas Fischbach (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from Mankato, Kans., 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.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo. or Minneapolis, Minn.

No. MC 134922 (Sub-No. 62), filed February 27, 1974. Applicant: B. J. McADAMS, INC., Route 6, Box 15, North Little Rock, Ark. 72118. Applicant's representative: L. C. Cypert (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Store displays or fixtures and parts, lighting fixtures and parts, plastic articles, hardware and motel furniture*, set up or knocked down, in boxes, from Forest City, N.C., to points in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Charlotte, N.C. or Little Rock, Ark.

No. MC 134922 (Sub-No. 63), filed February 27, 1974. Applicant: B. J. McADAMS, INC., Route 6, Box 15, North Little Rock, Ark. 72118. Applicant's representative: L. C. Cypert (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New Furniture, parts and supplies* in boxes, from Forest City, N.C., to points in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Charlotte, N.C. or Little Rock, Ark.

No. MC 134922 (Sub-No. 64), filed March 1, 1974. Applicant: B. J. McADAMS, INC., Route 6, Box 15, North Little Rock, Ark. 72118. Applicant's representative: L. C. Cypert (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Candy and confectionery and related products* (except commodities in bulk); and (2) *advertising matter, premium and display materials*, when shipped in the same vehicle with commodities described in (1) above, in vehicles equipped with mechanical refrigeration, from the plant site and warehouse facilities of M & M/Mars, Division of Mars, Incorporated, located at or near Hackettstown, N.J. and Elizabethtown, Pa., to points in Alabama, Arizona, Arkansas, California, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Nebraska, Nevada, Ohio, New Mexico, Oklahoma, Oregon, Texas, Utah and Washington, restricted to the transportation of traffic originating at the plant site and warehouse facilities of M & M/Mars, Division of Mars, Incorporated.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Trenton, N.J. or Little Rock, Ark.

No. MC 134922 (Sub-No. 65), filed March 1, 1974. Applicant: B. J. ADAMS, INC., Route 6, Box 15, North Little Rock, Ark. 72118. Applicant's representative: L. C. Cypert (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Candy and confectionery and related products* (except in bulk); and (2) *advertising matter, premium and display materials*, when shipped in the same vehicle with commodities described in (1) above, in vehicles equipped with mechanical refrigeration, from Robinson, Ill. to points in Florida, Georgia, Louisiana, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Wisconsin and Massachusetts.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at either Chicago, Ill. or Little Rock, Ark.

No. MC 135248 (Sub-No. 11), filed February 25, 1974. Applicant: WILLIAM H. DEES, doing business as DEES TRANSPORTATION, P.O. Box 446, Worland, Wyo. 82401. Applicant's representative: Robert S. Stauffer, 3539 Boston Road, Cheyenne, Wyo. 82001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Malt beverages, and related advertising materials when moving in the same vehicle with malt beverages*, from Tumwater and Olympia, Wash., Omaha, Nebr., and Los Angeles and Fairfield, Calif., to points in Wyoming; and (2) *non-alcoholic beverages*, from Worland, Wyo., to points in Nevada.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Billings, Mont., or Denver, Colo.

No. MC 135387 (Sub-No. 2), filed February 26, 1974. Applicant: HARBOR TRANSFER, INC., B Street below Erie

Avenue, Philadelphia, Pa. 19134. Applicant's representative: Eugene T. Liipfert, 1660 L Street, NW., Suite 1100, Washington, D.C. 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *General commodities in containers or in trailers*, having a prior or subsequent movement by water; and (2) *empty containers, trailers, and chassis*, (a) between points within the Commercial Zone of Philadelphia, Pa., as defined by the Commission; (b) between points within the Commercial Zone of Baltimore, Md., as defined by the Commisison; and (c) between points within a territory consisting of the Commercial Zones of Norfolk, Portsmouth, Chesapeake, Virginia Beach, Hampton, and Newport News, Va., as defined by the Commission.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Washington, D.C. or Philadelphia, Pa.

No. MC 135732 (Sub-No. 4), filed February 28, 1974. Applicant: AUBREY FREIGHT LINES, INC., 651 Grove Street, Elizabeth, N.J. 07208. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, N.J. 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Polymer water emulsions* (except in bulk), from the facilities of Emulsion Systems, Inc., Brooklyn, N.Y., to points in Indiana, Florida, Ohio, Illinois, Georgia, restricted to traffic originating at the above origin and destined to the named destinations.

NOTE.—Applicant holds contract carrier authority in MC-110884 and Sub-No. 13, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y. or Washington, D.C.

No. MC 135732 (Sub-No. 5), filed February 28, 1974. Applicant: AUBREY FREIGHT LINES, INC., 651 Grove Street, Elizabeth, N.J. 07208. Applicant's representative: George A. Olsen, 69 Tonnele Ave., Jersey City, N.J. 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Candy, confectionery and related items and premiums and advertising materials*, when moving with the above named commodities (except commodities in bulk), from Freehold, N.J., to points in Ohio, Indiana, Michigan, Illinois, Minnesota and Wisconsin.

NOTE.—Applicant holds contract carrier authority under MC 110884 and Sub 13, therefore, dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C. or New York, N.Y.

No. MC 135797 (Sub-No. 23), filed February 28, 1974. Applicant: J. B. HUNT TRANSPORT, INC., 833 Warner Street, S.W., Atlanta, Ga. 30310. Applicant's representative: Virgil H. Smith, 1587 Phoenix Boulevard, Suite 12, Atlanta, Ga. 30349. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as dealt in or used by wholesale and retail discount or variety stores, from the plant site and warehouse of Wal-Mart Stores, Inc. at Bentonville, Ark .and the warehouse of J. B. Hunt Co., Inc. at Lowell, Ark., to points in Kansas, Louisiana, Missouri, Oklahoma, and Tennessee (Brownsville only), restricted to a transportation service to be performed for Wal-Mart Stores, Inc., subsidiaries and affiliates.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga. or Little Rock, Ark.

No. MC 135924 (Sub-No. 2), filed March 4, 1974. Applicant: SIMONS TRUCKING CO., INC., Rt. 3-Box 379, Grand Rapids, Minn. 55744. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Composition board*, from Grand Rapids, Minn., to points in Alabama, Arizona, California, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Vermont, Washington, and West Virginia; and (2) *phenolic resin*, from Bound Brook, N.J.; North Tonawanda, N.Y.; Kent, Ohio, and Sheboygan, Wis., to points in Grand Rapids, Minn.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 136168 (Sub-No. 2), filed February 28, 1974. Applicant: WILSON CERTIFIED EXPRESS, INC., 27th and Y Streets, Omaha, Nebr. 68107. Applicant's representative: J. Max Harding, 605 South 14th Street, P.O. Box 82028, Lincoln, Nebr. 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat byproducts and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix 1 to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides commodities in bulk), from the plantsite and warehouse facilities utilized by Wilson & Co. at Albert Lea, Minn., to points in Connecticut, District of Columbia, Georgia, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Maine, New Hampshire, Vermont, Delaware, Florida, West Virginia, Virginia, Kentucky, and Rhode Island, restricted to traffic originating at the above-named origin and destined to the named destinations, under continuing contract with Wilson & Co.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn. or Chicago, Ill.

No. MC 136182 (Sub-No. 2), filed February 22, 1974. Applicant: B & C MOTOR FREIGHT, INC., 18 Matilda Street, P.O. Box 166, Peru, Ind. 46970. Applicant's representative: Walter F. Jones, Jr., 601 Chamber of Commerce Bldg., Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid fertilizer solutions*, in bulk, in tank trucks, (1) from Valmeyer, Breese, and West York, Ill., to points in Kentucky, Missouri, and Indiana; and (2) from Jordan, and Dublin, Ind., to points in Ohio, Kentucky, Illinois and Michigan.

NOTE.—Common control and dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Tulsa, Okla., or Indianapolis, Ind.

No. MC 138036 (Sub-No. 4), filed February 25, 1974. Applicant: J & S, INC., 127 Larchfield Drive, McKeesport, Pa. 15135. Applicant's representative: John A. Vuono, 2310 Grant Building, Pittsburgh, Pa. 15219. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in by retail drug and variety stores, and *equipment, materials, and supplies* used in the conduct of such business (except commodities in bulk), between the facilities of Thrift Drug Division of J. C. Penney Company, Inc., in Atlanta Southern Industrial Park, Morrow (Clayton County), Ga., on the one hand, and, on the other, points in Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin. RESTRICTION: The operations authorized herein are limited to a transportation service to be performed under a continuing contract, or contracts, with Thrift Drug Division of J. C. Penney Co., Inc., of New York, N.Y.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Pittsburgh, Pa., or Washington, D.C.

No. MC 138104 (Sub-No. 11), filed March 4, 1974. Applicant: MOORE TRANSPORTATION CO., INC., 3509 North Grove Street, Fort Worth, Tex. 76106. Applicant's representative: Bernard H. English, 6270 Firth Road, Fort Worth, Tex. 76116. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Iron or steel articles*, as defined in 61 M.C.C. 209, *Descriptions in Motor Carrier Certificates*, from the plantsite and storage facilities of Chaparral Steel Company, Inc. near Midlothian, Tex., to points in Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, and

Tennessee; and (2) *scrap iron and steel*, from points in Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, and Tennessee, to the plantsite and storage facilities of Chaparral Steel Company, Inc. near Midlothian, Tex.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Dallas, or Fort Worth, Tex.

No. MC 138375 (Sub-No. 13), filed February 25, 1974. Applicant: J. H. WARE TRUCKING, INC., 909 Brown Street, P.O. Box 398, Fulton, Mo. 65251. Applicant's representative: Larry D. Knox, 9th Floor, Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Vacuum cleaners and parts*, from Old Greenwich, Conn., to points in Des Moines, Iowa; Kansas City, Mo.; Hammond, Ind.; Memphis, Tenn.; Dallas, Tex.; and Salt Lake City, Utah; and (2) *plastic braid*, from Maryville, Mo., to points in Trenton, N.J., under continuing contract with Electrolux, Division of Consolidated Foods.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr. or St. Louis, Mo.

No. MC 138375 (Sub-No. 14), filed March 1, 1974. Applicant: J. H. WARE TRUCKING, INC., 909 Brown Street, P.O. Box 398, Fulton, Mo. 65251. Applicant's representative: Larry D. Knox, 9th Floor, Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Vacuum cleaners;* (2) *vacuum cleaner bags;* (3) *floor polishers*, and parts for (1), (2), and (3), from Bristol, Va., to Des Moines, Iowa; Kansas City, Mo. Hammond, Ind.; Memphis, Tenn.; Dallas, Tex.; Salt Lake City, Utah; Worcester, Mass.; Bridgeport, Conn.; Paoli and Camp Hill, Pa.; Bronx, N.Y.; and Bayonne, N.J., under contract with Electrolux, Division of Consolidated Foods.

NOTE.—Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr., or St. Louis, Mo.

No. MC 138385 (Sub-No. 2), filed February 26, 1974. Applicant: D & G TRANSPORTATION, INC., 20 Cameron Street, Clinton, Mass. 01510. Applicant's representative: Frank J. Weiner, 15 Court Square, Boston, Mass. 02108. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Plastic articles, lunch and picnic kits, napkins, salt, pepper, sugar, condiments and straws*, from Clinton, Mass., to points in New York, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Tennessee, Ohio, California, District of Columbia, Maine, New Hampshire, Vermont, Rhode Island, Connecticut, and New Jersey; and (2) *plastic pellets* (except in bulk), from Kobuta, Pa., to Clinton, Mass., under continuing contract with Van Brode Milling Co., Inc. and Wonder Container Corporation.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Boston, Mass. or Washington, D.C.

No. MC 138530 (Sub-No. 5), filed February 25, 1974. Applicant: C. O. P. TRANSPORT, INC., 307 South High Street, Cortland, Ohio 44410. Applicant's representative: Warren R. Keck, III, 28 South Second Street, Greenville, Pa. 16125. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Machinery, strip mining, walking drag lines, mining and construction excavator shovels, stripping shovels, blast hole drills, steel forgings, castings, machinery parts, strip mining parts, walking drag line parts, mining and excavator shovel parts, drill parts and accessories thereof, iron and steel* used in the manufacture of the above parts; and *vendor products*, used in the manufacture and processing of products in the above described commodities, between the plantsites of Marion Power Shovel Company, Inc., at Marion, Ohio, on the one hand, and, on the other, points in the United States including Alaska; but excluding Hawaii, under a continuing contract or contracts with Marion Power Shovel Company, Inc., Marion, Ohio.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio, Pittsburgh, Pa., or Washington, D.C.

No. MC 138616 (Sub-No. 1), filed February 27, 1974. Applicant: HERMANE-HILLDO CAMPOS, III, doing business as, CAMPOS DELIVERY SERVICE, Four Voe Place, Monterey, Calif. 93940. Applicant's representative: Eldon M. Johnson, 650 California Street, Suite 2808, San Francisco, Calif. 94108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Geneal commodities* (except Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, articles of unusual value, commodities requiring special equipment and commodities in vehicles equipped with mechanical refrigeration), between Watsonville, Calif., and points in Monterey County, Calif., on the one hand, and, on the other, the San Francisco International Airport and the Oakland International Airport, and the facilities of air-freight forwarders serving said airports within twenty-five miles thereof, restricted to shipments having an immediately prior or subsequent movement by air.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at either Monterey, or San Francisco, Calif.

No. MC 139046 (Sub-No. 1), filed February 22, 1974. Applicant: D. AND S. TRUCKING, INC., P.O. Box 173, Yorklyn, Del. 19736. Applicant's representative: Francis P. Desmond, 115 East 5th Street, Chester, Pa. 19103. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods, commodities in bulk and those requiring special equipment), between Delaware City, Del., and Harmony Industrial Park, located at or near Newark, Del., on the one hand, and, on the other, points in Delaware, Pennsylvania, Maryland, Virginia, New York, West Virginia, Connecticut, Massachusetts, Rhode Island, Ohio, Tennessee, Kentucky, Michigan, Indiana, Illinois and New Jersey.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Wilmington, Del., or Philadelphia, Pa.

No. MC 139216 (Sub-No. 2), filed February 25, 1974. Applicant: CLARENCE PERKINS, doing business as LEBANON DISTRIBUTING CO., P.O. Box 27, Lebanon, Ky. 40033. Applicant's representative: Rudy Yessin, 314 Wilkinson Street, Frankfort, Ky. 40601. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products, and articles distributed by meat packinghouses*, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk, in tank vehicles), from the plant site of the Fischer Packing Co., Louisville, Ky., to points in Tennessee, restricted to the transportation of traffic originating at the above named origin point and destined to the named destination points, under contract with Fischer Packing Co.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Louisville or Frankfort, Ky.

No. MC 139245 (Sub-No. 1), filed February 25, 1974. Applicant: DAVIS & BURTON CONTRACTORS, INC., P.O. Box 655, Catlettsburg, Ky. 41129. Applicant's representative: John M. Friedman, 2930 Putnam Avenue, Hurricane, W. Va. 25526. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Pitch*, in bulk, in dump vehicles, from the Allied Chemical Plant, at Lawrence County, Ohio, to points in Boyd County, Ky., under contract with Calgon Corporation, at Boyd County, Ky.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Charleston, W. Va., or Columbus, Ohio.

No. MC 139247 (Sub-No. 1), filed February 28, 1974. Applicant: COOPER BROTHERS, INC., Highway 53, P.O. Box 167, Braselton, Ga. 30517. Applicant's representative: Frank D. Hall, Suite 713, 3384 Peachtree Rd., N.E., Atlanta, Ga. 30326. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise as used, sold, or dealt in by wholesale, retail and chain grocery and food business houses*, from points in Minnesota, Iowa, Missouri, Arkansas, Louisiana, Wisconsin, Illinois, Kentucky,

Tennessee, Mississippi, Michigan, Indiana, Alabama, Ohio, Georgia, Florida, New York, Pennsylvania, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, Maine, Delaware, Maryland, West Virginia, Virginia, North Carolina, South Carolina, New Jersey and the District of Columbia, to the warehouse, storage and distribution facilities of Colonial Stores, Inc., at Atlanta, Ga.; Thomasville, Ga.; Columbia, S.C.; Raleigh, N.C.; Norfolk, Va.; and Columbus, Ohio; and (2) *materials, equipment and supplies used by wholesale, retail and chain grocery and food business houses*, from High Point, N.C. to the retail outlets and businesses of Colonial Stores, Inc., in North Carolina, South Carolina, Georgia, Ohio, Florida, Alabama, Kentucky, Maryland, and Virginia, under a continuing contract, or contracts, with Colonial Stores, Inc.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga., or Washington, D.C.

No. MC 139424 (Sub-No. 2), filed February 28, 1974. Applicant: FISHER TRUCKING COMPANY, INC., 640 Pleasant Mills Road, Hammonton, N.J. 08037. Applicant's representative: Morton E. Kiel, Suite 6193—5 World Trade Center, New York, N.Y. 10048. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Waste plastic resins*, in bulk, in dump vehicles, from Perryville, Md., Delaware City, Del., Pottstown, Pa., and Burlington, N.J., to S. Plainfield, N.J., Brooklyn, N.Y. and Chicago, Ill.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

No. MC 139553 (Sub-No. 1), filed March 4, 1974. Applicant: GILSTER-MARY LEE CORPORATION, 520 St. Marys Road, Perryville, Mo. 63775. Applicant's representative: Herbert A. Holzum (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Polystyrene beads, expandable*, in containers other than in bulk; and (2) *Epoxy in drums*, from Jamesburg, Toms River, and Freehold, N.J., and Monaca, Pa., to McBride, Mo.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at St. Louis, or Jefferson City, Mo.

No. MC 139572 filed February 27, 1974. Applicant: PAPPAS AND DEFFET CARTAGE, INC., doing business as PAPPAS TRUCKING UNLIMITED, 860 Jenkins Avenue, Columbus, Ohio 43207. Applicant's representative: Richard A. Mehley, 1000 16th Street, N.W., Washington, D.C. 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except household goods), between points in Hardin, Allen, Auglaize, Shelby, Logan, Miami, Champaign, Clark, Montgomery, Greene, Warren, Clinton, Highland, Brown, Adams, Scioto, Pike, Jackson, Vinton, Meigs, Athens, Washington, Seneca, Hancock, Morgan, Muskingum, Coshocton, Holmes, Wayne, Ashland, Richland, Wyandot, Crawford, Marion, Morrow, Knox, Union, Delaware, Licking, Franklin, Madison, Pickaway, Fayette, Ross, Hocking, Perry, Fairfield, Noble, Guernsey and Huron Counties, Ohio, restricted to the transportation of traffic having a prior or subsequent movement by rail or air.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio or Washington, D.C.

No. MC 139573 filed February 27, 1974. Applicant: ADRIAN VANZANDBERGEN, Route #2, Orange City, Iowa 51041. Applicant's representative: Bradford E. Kistler, P.O. Box 82028, Lincoln, Nebr. 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Agricultural sprayers and applicators and related parts and accessories*, from the facilities utilized by Dethmers Mfg. Co., at or near Boyden, Iowa, to points in Illinois, Indiana, Ohio, Nebraska, Missouri, Tennessee, Georgia, Texas, Oklahoma, Kansas, Minnesota, and Wisconsin; and (2) *materials and supplies utilized in the production and manufacture of agricultural sprayers and applicators and related parts and accessories*, from points in Wisconsin and Illinois, to the facilities utilized by Dethmers Mfg. Co., at or near Boyden, Iowa, under contract with Dethmers Mfg. Co., restricted against the transportation of commodities which by reason of their size and weight require special handling or equipment, and further restricted against the transportation of commodities in bulk.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr. or Des Moines, Iowa.

No. MC 139582, filed February 25, 1974. Applicant: DUVARD S. HORNSBY, INC., P.O. Box 204, Lakeland, Fla. 33802. Applicant's representative: J. G. Dail, Jr., 1111 E Street, N.W., Washington, D.C. 20004. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Fruits, juices, concentrates, and beverages*, from points in St. Lucie and Manatee Counties, Fla., to points in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, and Washington, under contract with Tropicana Products, Inc., at Bradenton, Fla.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Tampa, Fla.

PASSENGER APPLICATIONS

No. MC 139389 (Sub-No. 1), filed February 14, 1974. Applicant: COURTESY CAB COMPANY, INC., 45 Euclid Avenue, Sharon, Pa. 16146. Applicant's representative: William C. Kuhn, First Seneca Bank Building, 7 West State Street, Sharon, Pa. 16146. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers*, in the transportation of operating railroad trainmen or employees of the Penn Central Transportation Company and the Erie-Lackawanna Railroad Company, between railroad freightyards of the Penn Central Transportation Company and the Erie-Lackawanna Railroad Company, as they may be situated respectively, in Erie, Linesville, Jamestown, Transfer, Sharon, Wheatland, New Castle, Wampum, Bessemer, Conway, and Ambridge, and siding facilities situated at intermediate points along the respective rights of way of said railroads as situated in Erie, Crawford, Mercer, Lawrence, and Beaver Counties, Pa., on the one hand, and, on the other, Cleveland, Ashtabula, Niles, Girard, Youngstown, Hubbard, Campbell, and Struthers, and siding facilities situated at intermediate points along the respective rights of way of said railroads, situated in Cuyahoga, Ashtabula, Trumbull, and Mahoning Counties, Ohio, restricted to the transportation of passengers in motor vehicles having a capacity of eight (8) passengers, not including driver, and further restricted against the transportation of passengers between Cleveland, Ashtabula, Ohio, on the one hand, and, on the other, Erie, Pa.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, the applicant requests it be held at Mercer, Pa., Erie, Pa., or Pittsburgh, Pa.

No. MC 139614 filed March 1, 1974. Applicant: ERIN TOURS, INC., 2019 Haring Street, Brooklyn, N.Y. 11229. Applicant's representative: Larsh B. Mewhinney, 235 Mamaroneck Avenue, White Plains, N.Y. 10605. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, restricted to traffic originating in the territory indicated below, in charter and special operations, from New York, N.Y., to points in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Ohio, Indiana, Illinois, Wisconsin, Michigan, Kentucky, Tennessee, Alabama, Mississippi, Minnesota, Iowa, Missouri, Arkansas, Louisiana, and return.

NOTE.—Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

BROKER APPLICATION

No. MC 12826 (Sub-No. 1), filed February 11, 1974. Applicant: TRAVEL CONVENTIONS INTERNATIONAL, INC., 2802 First Avenue North, Billings, Mont. 59102. Applicant's representative: Todd Baugh, 805 Midland Bank Building, Billings, Mont. 59102. Authority sought to engage in operation, in interstate or foreign commerce, as a *broker* at Fairbanks, Anchorage and Juneau, Alaska, to sell or offer to sell the transportation of *passengers*, individually and

in groups, *and their baggage*, between points in the United States, including Alaska and Hawaii.

NOTE.—If a hearing is deemed necessary, applicant requests it be held at Portland, Oreg.

FREIGHT FORWARDER APPLICATION

No. FF-448 (AMENDMENT) filed February 7, 1974, published in the FR issue of March 14, 1974, and republished as amended, this issue. Applicant: MIDLAND CONTAINER SERVICE, INC., 754 Midland Bank Building, Minneapolis, Minn. 55401. Applicant's representative: Rick Millenacker (same address as applicant). Authority sought to engage in operation, in interstate commerce, as a *freight forwarder*, through use of the facilities of common carriers by railroad and motor vehicle, in the transportation of *General commodities* (except commodities in bulk and commodities requiring protective service) destined for export, loaded into steamship company containers for movement via railroad or motor vehicle with subsequent transportation via water from Minneapolis and St. Paul, Minn. and the Commercial Zone thereof, to ports of export located in New York, N.Y., Elizabeth, N.J., Baltimore, Md., Norfolk, Va., Jacksonville, Fla., New Orleans, La., Milwaukee, Wis., Seattle, Tacoma and Longview, Wash. and Oakland, San Francisco, Los Angeles and Long Beach, Calif.

NOTE.—The purpose of this republication is to amend the above information. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn. or Seattle, Wash.

By the Commission.

ROBERT L. OSWALD,
Secretary.

[FR Doc.74-8246 Filed 4-10-74;8:45 am]

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