

WEDNESDAY, JUNE 21, 1978



highlights

SUNSHINE ACT MEETINGS 26679

MINE SAFETY AND HEALTH

Labor/ESA announces additional public hearing on 7-10-78 on proposed rules relating to standards for determining coal miner's total disability or death due to pneumoconiosis; comments by 7-25-78 26588

STANDARDIZED OPTIONS TRADING

SEC requests comments by 8-21-78 concerning market structure issues 26660

CHILD LABOR

Labor/WH publishes final rules regarding agricultural employment of 10 and 11 year old minors in hand harvesting of short season crops; effective 6-21-78 26562

RURAL RENTAL HOUSING LOANS

USDA/FmHA amends regulations regarding the definition of Senior Citizens, Handicapped, and eligible occupants for housing loans; effective 6-21-78 26561

IMPORT RESTRICTIONS ON SUGAR

USDA/Secy solicits views concerning investigation; comments by 7-6-78 26601

NATIONAL CEMETERIES

VA informs the public of eligibility criteria for headstones and markers, interments and burial of remarried spouses, and other matters; effective 6-14-78 26571

GRANDFATHERED PBX AND KEY TELEPHONE EQUIPMENT

FCC issues a list to aid in disputes of particular systems; additions and corrections by 7-25-78 26612

FUNERAL INDUSTRY PRACTICES

FTC summarizes, analyzes, and makes recommendations on the final action; comments by 8-21-78 26588

ATLANTIC TUNA FISHERIES

Commerce/NOAA amends regulations regarding fishing for Atlantic bluefin tuna; effective 6-16-78 26581

PEANUT INSURANCE

USDA/FCIC amends regulations as they relate to support prices in determining the amount per acre; effective 11-15-77 26561

PRIVACY ACT

Arms Control and Disarmament Agency creates a new system of records for the study of arms control subjects; effective 6-21-78 26602
 DOD/Army proposes to delete four and amend one systems of records; comments by 7-21-78; effective 7-21-78 26606

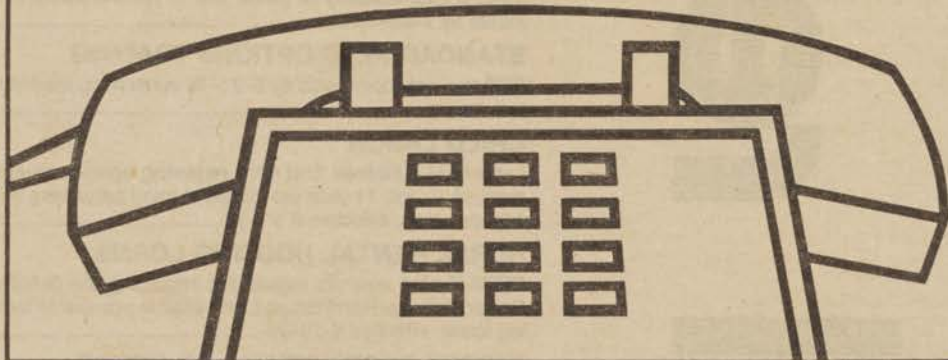
CONTINUED INSIDE

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	523-3517
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PRESIDENTIAL PAPERS:

Executive Orders and Proclamations.	523-5233
Weekly Compilation of Presidential Documents.	523-5235
Public Papers of the Presidents	523-5235
Index	523-5235

PUBLIC LAWS:

Public Law dates and numbers	523-5266
	523-5282
Slip Laws	523-5266
	523-5282
U.S. Statutes at Large	523-5266
	523-5282
Index	523-5266
	523-5282

U.S. Government Manual	523-5230
Automation	523-3408
Special Projects	523-4534

HIGHLIGHTS—Continued

PRIVACY ACT POLICY AND PROCEDURES

Arms Control and Disarmament Agency withdraws a proposal to amend regulations; effective 6-21-78..... **26589**

OFFICIAL CIVIL DEFENSE INSIGNE

DOD/DCPA revises the regulation governing the use and deletes obsolete provisions; effective 6-21-78..... **26568**

UTILIZATION AND DISPOSAL OF PERSONAL PROPERTY

GSA clarifies rules by making miscellaneous changes; effective 6-21-78..... **26575**

TIMBER SALE CONTRACTS

USDA/FS sets forth a policy on contract term extension, adjustment, and period of contract; effective 7-1-78..... **26599**

1978 PEANUT PROGRAM

USDA/CCC proposes determinations adjusting loan and purchase rates for quota, and additional peanuts for differences in type, quality, location, and other factors; comments by 7-21-78..... **26587**

DOMESTICALLY PRODUCED PEANUTS

USDA/AMS determines budget expenses of Administrative Committee, rate assessment, incoming and outgoing quality regulations, and indemnification for the 1978 crop year (2 documents)..... **26591**

DELEGATION OF AUTHORITY

HUD/Secy transfers department wide insurance and bonding function; effective 6-15-78..... **26616**

MEETINGS—

Arms Control and Disarmament Agency: General Advisory Committee, 7-13 and 7-14-78	26602
Commerce/NFPCA: Fire Training and Education Advisory Committee, 7-13 and 7-14-78	26605
CSC: Federal Prevailing Rate Advisory Committee, 7-6, 7-13, and 7-20-78	26604
DOD/AF: Strategic Issues and the ICBM USAF Scientific Advisory Board Workshop, 7-6 and 7-7-78	26606
DOD/AF: Aeronautics Panel USAF Scientific Advisory Board, 7-11 and 7-12-78	26606
DOD/AF: Logistics Cross-Matrix Panel USAF Scientific Advisory Board, 7-13 and 7-14-78	26606
EPA: Noise Emission Standards, Pavement Breakers, and Rock Drills, 7-7-78	26589
Justice: Bureau of Prisons Advisory Council Corrections Council, 7-13-78	26620
NASA: Space and Terrestrial Applications Advisory Committee (STAAC), 7-6 and 7-7-78	26620
NRC: Reactor Safeguards Advisory Committee, 7-6 through 7-8-78	26623
Treasury/ATF: Explosives Tagging Advisory Committee, Technical Subcommittee, 7-26-78	26626

HEARINGS—

Employment and Unemployment Statistics National Commission, 7-26-78	26620
Labor/ESA, 7-10-78	26588

SEPARATE PARTS OF THIS ISSUE

Part II, State	26684
----------------------	-------

contents

AGRICULTURAL MARKETING SERVICE

Notices

- Peanut Administrative Committee; 1978 crop year, expenses and rate of assessment..... 26591
- Peanuts; 1978 crop; incoming and outgoing quality regulations..... 26591

AGRICULTURE DEPARTMENT

See also Agricultural Marketing Service; Commodity Credit Corporation; Farmers Home Administration; Federal Crop Insurance Corporation; Forest Service.

Notices

- Sugar import restrictions; inquiry 26601

AIR FORCE DEPARTMENT

Notices

- Environmental statements; availability, etc.:
Joint Readiness Exercise
GALLANT EAGLE 79 26606
- PAVE PAWS radar systems, Otis AFB, Mass., and Beale AFB, Calif.; ballistic missiles tracking and detection..... 26606
- Meetings:
Scientific Advisory Board (3 documents) 26606

ALCOHOL, TOBACCO AND FIREARMS BUREAU

Notices

- Meetings:
Explosives Tagging Advisory Committee 26626

ARMS CONTROL AND DISARMAMENT AGENCY

Proposed Rules

- Privacy Act; implementation; withdrawn 26589

Notices

- Meetings:
General Advisory Committee. 26602
- Privacy Act; systems of records..... 26602

ARMY DEPARTMENT

See also Engineers Corps.

Notices

- Privacy Act; systems of records..... 26606

ARTS AND HUMANITIES, NATIONAL FOUNDATION

Proposed Rules

- Nondiscrimination:
Handicapped in federally-assisted programs; extension of time 26589

CIVIL AERONAUTICS BOARD

Notices

Hearings, etc.:

- Florida-Mexico City investigation 26604
- Las Vegas-Texas Case 26604
- Twin Cities-Las Vegas/Phoenix/San Diego route proceeding..... 26604

CIVIL SERVICE COMMISSION

See Federal Prevailing Rate Advisory Committee.

COMMERCE DEPARTMENT

See Economic Development Administration; Maritime Administration; National Fire Prevention and Control Administration; National Oceanic and Atmospheric Administration.

COMMODITY CREDIT CORPORATION

Proposed Rules

- Loan and purchase programs:
Peanuts 26587

DEFENSE CIVIL PREPAREDNESS AGENCY

Rules

- Insigne..... 26568

DEFENSE DEPARTMENT

See Air Force Department; Army Department; Defense Civil Preparedness Agency; Engineers Corps.

ECONOMIC DEVELOPMENT ADMINISTRATION

Notices

- Import determination petitions:
Compatibles et al 26605

ECONOMIC REGULATORY ADMINISTRATION

Notices

- Hearings, etc.:
Maine Public Service Co..... 26608
- Tenneco Atlantic Pipeline Co. et al 26609

EMPLOYMENT STANDARDS ADMINISTRATION

Proposed Rules

- Black lung disease:
Disability or death determination standards 26588

EMPLOYMENT AND UNEMPLOYMENT STATISTICS NATIONAL COMMISSION

Notices

- Hearings..... 26620

ENGINEERS CORPS

Rules

- Navigation regulations:
Fox River, Wis..... 26570

ENERGY DEPARTMENT

See Economic Regulatory Administration.

ENVIRONMENTAL PROTECTION AGENCY

Rules

- Air quality implementation plans; approval and promulgation; various States, etc.:
Massachusetts 26573

Proposed Rules

- Noise abatement programs:
Pavement breakers and rock drills; noise emission standards; inquiry; meeting 26589

Notices

- Water pollution control; discharge of pollutants:
Oregon 26610
- Water pollution control; safe drinking water; public water systems designations:
New York 26611

FARMERS HOME ADMINISTRATION

Rules

- Rural housing loans and grants:
Handicapped; eligibility requirements extended to 26561

FEDERAL COMMUNICATIONS COMMISSION

Notices

- Telephone network, connection of terminal equipment:
"Grandfathered" PBX and key telephone systems..... 26612

FEDERAL CROP INSURANCE CORPORATION

Rules

- Crop insurance; various commodities:
Peanuts 26561

FEDERAL HOME LOAN BANK BOARD

Notices

- Applications, etc.:
TSA Financial Corp 26615

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

Notices

- Meetings 26604

FEDERAL RAILROAD ADMINISTRATION

Notices

- Preference share financing applications:
Chicago & North Western Transportation Co..... 26626

FEDERAL TRADE COMMISSION

Proposed Rules

- Funeral industry practices; report publication 26588

CONTENTS

FOREST SERVICE

Notices

Meetings:

- Pacific Crest National Scenic Trail Advisory Council 26599
- Timber sale and contract term extension; policy 26599

GENERAL SERVICES ADMINISTRATION

Rules

- Property management; Federal: Utilization and disposal of personal property; editorial changes, etc 26575

Notices

- Property management regulations, temporary: Authority delegations to Defense Department Secretary 26615

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

Notices

- Organization, functions, and authority delegations: Social Security Administration; Hearings and Appeals Bureau 26615

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

Notices

- Authority delegations: Federal Housing Commissioner-Assistant Secretary for Housing 26616

INDIAN AFFAIRS BUREAU

Notices

- Alcoholic beverages, introduction, sale and possession; legalizing: Muckleshoot Indian Reservation, Wash 26616

INTERIOR DEPARTMENT

See also Indian Affairs Bureau; Land Management Bureau.

Notices

- Environmental statements; availability, etc.: O'Neill Unit, Nebr 26620

INTERSTATE COMMERCE COMMISSION

Rules

- Railroad car service orders; various companies: Chicago, Rock Island & Pacific Railroad 26581

Notices

- Agreements under sections 5a and b, applications for approval, etc.: National Motor Freight Classification 26646
- Hearing assignments 26627
- Motor carriers: Irregular route property carriers; gateway elimination 26627

- Temporary authority applications 26642
- Railroad operation, acquisition, construction, etc.: Chicago & North Western Transportation Co 26645

JUSTICE DEPARTMENT

See Prisons Bureau.

LABOR DEPARTMENT

See Employment Standards Administration; Wage and Hour Division.

LAND MANAGEMENT BUREAU

Notices

- Alaska native selections; applications, etc.: Kaguyak, Inc 26618
- Opening of public lands: Utah 26619

MANAGEMENT AND BUDGET OFFICE

Notices

- Privacy Act; systems of records 26624

MARITIME ADMINISTRATION

Notices

- Applications, etc.: Cove Ventures Inc 26605

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Notices

- Meetings: NASA Advisory Council-Space and Terrestrial Applications Advisory Committee 26620

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

Notices

- Meetings: Fire Training and Education Advisory Committee 26605

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Rules

- Tuna, Atlantic fisheries: Bluefin tuna; catch quotas, seasons, etc 26581

NUCLEAR REGULATORY COMMISSION

Notices

- Abnormal occurrence reports: Overexposure of two radiation technicians 26621
- Meetings: Reactor Safeguards Advisory Committee 26623
- Applications, etc.: Consumers Power Co 26622
- Philadelphia Electric Co. et al. 26622
- Power Authority of State of New York 26622
- Public Service Co. of New Hampshire et al 26623

PRISONS BUREAU

Notices

Meetings:

- Corrections Advisory Council.. 26620

SECURITIES AND EXCHANGE COMMISSION

Notices

- Exempted securities; Farm Credit Investment Bonds; Banks for Cooperatives 26678
- Self-regulatory organizations; proposed rule changes: American Stock Exchange, Inc 26655
- Chicago Board Options Exchange, Inc., (2 documents).. 26647, 26649
- Midwest Stock Exchange, Inc., (2 documents)... 26652, 26654
- Municipal Securities Rule-making Board 26659
- Pacific Stock Exchange, Inc ... 26654
- Philadelphia Stock Exchange, Inc 26660
- Standardized options markets; structure; inquiry 26660
- Hearings, etc.: AMIC Corp 26649
- Arkansas Power & Light Co ... 26646
- Barry Wright Corp 26647
- Federated Exchange Fund, Ltd 26649
- Indiana & Michigan Electric Co 26650
- Ivy Fund, Inc., et al 26655
- Middle South Utilities, Inc., et al 26651
- Mutual Investing Foundation et al 26657
- Ohio Power Co. et al 26652
- Parker, Milliken, Clark & O'Hara 26658

STATE DEPARTMENT

Notices

- Fishing Registration Permits for International Pacific Halibut Convention 26625
- Fishing permits, applications: Mexico, Japan, and Union of Soviet Socialist Republics ... 26684

TRANSPORTATION DEPARTMENT

See Federal Railroad Administration.

TREASURY DEPARTMENT

See Alcohol, Tobacco and Firearms Bureau.

VETERANS ADMINISTRATION

Rules

- National Cemetery System; operation 26571

WAGE AND HOUR DIVISION

Rules

- Child labor for agricultural employment of minors in hand harvesting of short season crops; application for and granting of waiver 26562

list of cfr parts affected in this issue

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, follows beginning with the second issue of the month. A Cumulative List of CFR Sections Affected is published separately at the end of each month. The guide lists the parts and sections affected by documents published since the revision date of each title.

7 CFR		29 CFR		41 CFR	
401.....	26561	575.....	26562	101-42.....	26575
1822.....	26561			101-43.....	26576
PROPOSED RULES:		32 CFR		101-44.....	26579
1446.....	26587	1806.....	26568	101-45.....	26579
16 CFR		33 CFR		101-46.....	26580
PROPOSED RULES:		207.....	26570	45 CFR	
453.....	26588	38 CFR		PROPOSED RULES:	
20 CFR		1.....	26571	1170.....	26589
PROPOSED RULES:		40 CFR		49 CFR	
718.....	26588	52.....	26573	1033.....	26581
22 CFR		PROPOSED RULES:		50 CFR	
PROPOSED RULES:		204.....	26589	285.....	26581
603.....	26589				

CUMULATIVE LIST OF CFR PARTS AFFECTED DURING JUNE

The following numerical guide is a list of parts of each title of the Code of Federal Regulations affected by documents published to date during June.

1 CFR

Ch. I..... 23701

3 CFR

PROCLAMATIONS:

4574..... 25413
4575..... 25987

EXECUTIVE ORDERS:

12063..... 24659
12064..... 24661

MEMORANDUMS:

May 23, 1978..... 25415
June 2, 1978..... 25983,
25985

4 CFR

331..... 24819
401..... 24820
402..... 24820
403..... 24820
404..... 24820
405..... 24820
406..... 24820
407..... 24820
408..... 24820
409..... 24820
410..... 24821
415..... 24821

5 CFR

213..... 25075,
25076, 25417, 25989, 25990, 26411

7 CFR

2..... 23983
210..... 25990
226..... 25130
227..... 25130, 25132
230..... 25134
246..... 23986
300..... 26411
301..... 25135
401..... 26561
730..... 26412
656..... 26277
905..... 24821
908..... 23701, 24822, 25789
910..... 23986, 25136, 25991
918..... 25331
932..... 24822
1079..... 24515
1434..... 24263
1475..... 26413
1488..... 25991
1800..... 23986
1822..... 24264, 25789, 26278, 26561
1823..... 25331
1904..... 24265
1933..... 25799
1980..... 25800
2852..... 25417

PROPOSED RULES:

210..... 25137
250..... 26447
415..... 25826
650..... 24222
917..... 23724
921..... 25347

7 CFR—Continued

PROPOSED RULES—Continued

924..... 26026
929..... 25348
948..... 24846
980..... 24846
1062..... 24515
1126..... 23725
1270..... 25430
1430..... 25137
1446..... 26587
1701..... 24064, 25138, 26447

8 CFR

214..... 25801

9 CFR

75..... 25993
78..... 23987
92..... 25418
113..... 25076, 25078
315..... 25419
317..... 26423
318..... 26423
319..... 25419, 26423

PROPOSED RULES:

11..... 24064
85..... 25433
381..... 24064

10 CFR

35..... 25994
205..... 23989, 25079
211..... 26540
212..... 24265, 24822, 26540
430..... 24268

PROPOSED RULES:

70..... 25433
73..... 25433
150..... 25433
211..... 24847, 26551
212..... 24847
465..... 24316

12 CFR

9..... 23990
217..... 24516, 26425
226..... 26425
329..... 24269, 25994
526..... 24271
545..... 24271

PROPOSED RULES:

9..... 25348
226..... 23726
545..... 23727
701..... 26317

13 CFR

120..... 26278

14 CFR

39..... 24272, 24273, 24824-24827, 25420,
25802-25805, 26279-26282
71..... 24274, 24275, 25805, 25806, 26282
73..... 23703, 25331
75..... 23703

14 CFR—Continued

95..... 25807
97..... 24275, 25810
121..... 24827
129..... 24827
221..... 24277
250..... 24277, 25667
298..... 25087
302..... 25332

PROPOSED RULES:

39..... 23727,
24847-24850, 25830-25833, 26318
71..... 24324,
24851-24854, 25834-25837,
26319-26321
73..... 24854, 24855, 25837, 26307
75..... 24856
77..... 26322
241..... 25138, 26437
288..... 25433
371..... 24542, 25141
1214..... 25693
1216..... 25317

15 CFR

315..... 23991
371..... 24517
377..... 25667
399..... 24517

16 CFR

5..... 25333, 26426
13..... 23991, 25811, 26426
419..... 25336
456..... 23992, 25995
1040..... 25658
1301..... 26283
1505..... 26427

PROPOSED RULES:

Ch. II..... 24325
13..... 24066, 25349, 26324, 26335
423..... 26334
453..... 26588

17 CFR

32..... 23704
240..... 24287
241..... 25420
249..... 24287

PROPOSED RULES:

1..... 23729
31..... 23729

18 CFR

701..... 25944

PROPOSED RULES:

2..... 26026
154..... 26026
260..... 26026

19 CFR

Ch. I..... 25812
10..... 23708
159..... 23709,
23710, 25813, 25814, 25995, 25996
171..... 23711
200..... 25671

FEDERAL REGISTER

19 CFR—Continued

PROPOSED RULES:

4	23731
6	23731

20 CFR

401	25672
404	25000, 25090, 25422, 25815
416	25090, 25815

PROPOSED RULES:

16	25142
20	25142
201	25142
404	25695, 25837
410	24542
422	25837
655	26033
718	26588
812	25142

21 CFR

7	26202
101	24518
161	25423
207	24008
444	26428
540	24010
1316	26428

PROPOSED RULES:

Ch I	24066
10	25438
146	24547
155	26454
156	26454
182	24067, 25438
184	25438
186	24067, 25438
314	25443
338	25444
340	25444
369	25444
429	25443
431	25443
505	25444
536	25444
539	25444
548	25444
740	24070

22 CFR

201	25997
-----------	-------

PROPOSED RULES:

42	24547
603	26589

24 CFR

0	25815
201	26429
203	23713
213	23713
234	23713
279	25784
280	25964
570	24656
888	25604
1914	24011, 24013, 26284-26287
1915	24019, 24021, 24022
1916	24049, 24050
1917	23713-
	23722, 24051-24061, 24289-24307,
	24519-24526, 25000, 26290-26309,
	26429-26441

24 CFR—Continued

PROPOSED RULES:

8	25411
201	25349
570	25780
1710	23936
1715	23936
1917	23732-
	23743, 24070, 24548-24558,
	26033

25 CFR

43h	26441
-----------	-------

PROPOSED RULES:

11	25448
54	23743

26 CFR

PROPOSED RULES:

301	25143
-----------	-------

27 CFR

170	24234
201	24234
231	24243
252	24243

28 CFR

0	26001
---------	-------

29 CFR

575	26562
697	25816, 26003
1952	25424
2610	25337

PROPOSED RULES:

70a	25145
1610	26454

30 CFR

837	25672
-----------	-------

PROPOSED RULES:

11	26454
70	26454
71	26454
75	26454
90	26454
880	24326

31 CFR

103	24527
203	26309
214	26309
226	26309
317	26309
321	26309

PROPOSED RULES:

10	25695
129	25636

32 CFR

260	25337
271	26310
298a	25672
504	26443
511	26443
512	26443
517	26443
519	26443
532	26443
533	26443
536	26443
538	26443

32 CFR—Continued

554	26443
561	26443
563	26443
564	26443
570	26443
572	26443
573	26443
576	26443
577	26443
580	26443
582	26443
632	26443
751	25425
1801	25092
1806	26568
1900	24527

PROPOSED RULES:

1804	26335
------------	-------

32A CFR

634	24308
-----------	-------

33 CFR

3	25955
100	25342
117	24829
207	26570
401	25817

PROPOSED RULES:

124	25958
126	25958
161	25958
177	26336

35 CFR

67	25819
----------	-------

36 CFR

254	24830
904	24528

37 CFR

302	24528
304	25068

38 CFR

1	26571
21	25428

PROPOSED RULES:

18d	25146
-----------	-------

39 CFR

111	25095
3001	24832

PROPOSED RULES:

Ch. I	26033
-------------	-------

40 CFR

51	26380
52	25673-25691, 26388, 26573
61	26372
118	24309
120	24529
171	24834
180	24692, 25120, 26310

PROPOSED RULES:

35	24071
52	24071, 24857, 24858, 25146
55	26456
65	24858, 25147, 26460
80	24331

FEDERAL REGISTER

40 CFR—Continued

PROPOSED RULES—Continued

141	25838
180	24714, 24861, 25697, 25837
204	26589
413	26042
1500	25230
1501	25230
1502	25230
1503	25230
1504	25230
1505	25230
1506	25230
1507	25230
1508	25230

41 CFR

1-1	26004
1-2	26011
1-3	26011
1-12	26011
1-16	26011
5A-72	25692
7-1	24839
7-3	24839, 24840
7-4	24840
7-16	24840
7-30	24840
8-3	24531
8-52	24531
8-74	24531
101-26	24533
101-30	24533
101-38	24062
101-39	24062
101-40	24063
101-42	26575
101-43	26576
101-44	26579
101-45	26579
101-46	26580

PROPOSED RULES:

4	24559
24-1	25449
29-70	26042

42 CFR

57	26012
58	26443

PROPOSED RULES:

51e	26534
57	26071-26077
122	24072
405	24332, 24873, 24988
449	24873
450	24988

43 CFR

PROPOSED RULES:

428	24072
1600	24559

PUBLIC LAND ORDERS:

5062	26446
5638	24063

45 CFR

185	26014
1067	24841
1801	26366

PROPOSED RULES:

19	25450
130	24333
144	25149
175	25149
176	25149
1050	25698
1061	26069
1062	26274
1170	26589

46 CFR

4	25820
401	24996
528	25343
530	25820

PROPOSED RULES:

Ch. IV	24559
33	25000
35	25000
71	25000
75	25000
78	25000
91	25000
94	25000
97	25000
160	25000
189	25000
192	25000
196	25000
308	24075
502	24080
512	26081

47 CFR

0	24310, 25122
1	25122, 25821
2	25343
15	25122
73	24533, 24534, 25344, 26020-26022
76	25123, 26022
78	25125

47 CFR—Continued

89	25127
97	25122

PROPOSED RULES:

63	24861
64	24861
67	23746, 26336
73	24334
	24560, 24862, 24863, 25698, 26082, 26083
81	24863
83	24863
87	25150

49 CFR

99	26311
171	24844
172	24845
252	25129
253	25129
254	25129
257	25346
571	24310, 25822, 25823
1033	23722, 23723, 24535-24539, 25129, 26311, 26312, 26446, 26581
1109	25774
1200	26313

PROPOSED RULES:

Ch. II	26337
27	25016
171	24335
172	24335
173	24335
175	24335
176	24335
179	24865
191	24478, 24866
393	24871, 25156
531	24871
1124	25152

50 CFR

10	25823
26	26314
32	24696, 25823, 25824, 26024
285	26581

PROPOSED RULES:

17	26089
216	25349
217	25349
220	25349
402	25349
656	23747
661	23748

FEDERAL REGISTER PAGES AND DATES—JUNE

Pages	Date	Pages	Date	Pages	Date
23701-23982	June 1	24819-25073	8	25789-25981	15
23983-24261	2	25075-25330	9	25983-26276	16
24263-24514	5	25331-25411	12	26277-26410	19
24515-24658	6	25413-25665	13	26411-26559	20
24659-24818	7	25667-25787	14	26561-26688	21

reminders

(The items in this list were editorially compiled as an aid to FEDERAL REGISTER users. Inclusion or exclusion from this list has no legal significance. Since this list is intended as a reminder, it does not include effective dates that occur within 14 days of publication.)

Rules Going Into Effect Today

CAB—New or modified certificate route authority applications; economic and operational data 21873; 5-22-78
LSC—Procedures governing suspension of financial assistance 21883; 5-22-78
DOT/FRA—Financial assistance for railroad passenger terminals 21886; 5-22-78
Treasury/Comptroller—Procedures and standards applicable to suspensions and prohibitions where a felony is charged 21868; 5-22-78
Treasury/Customs—Customhouse brokers; custom regulations 21877; 5-22-78—23565; 5-31-78

Next Week's Deadlines for Comments on Proposed Rules

AGRICULTURE DEPARTMENT

Agricultural Marketing Service—
Handling of fresh peaches grown in designated counties in Washington; comments by 6-30-78 25347; 6-12-78
Nectarines grown in Calif.; handling regulations; comments by 6-27-78 22726; 5-26-78
Animal and Plant Health Inspection Service—
Animal welfare; horse protection; comments extended to 6-30-78 24064; 6-2-78
[First published at 43 FR 18514, Apr. 28, 1978]
Viruses, serums, toxins, and analogous products; miscellaneous amendments; comments by 6-26-78 17477; 4-25-78
Commodity Credit Corporation—
Tobacco loan program; 1978 crop grade loan rates for flue-cured tobacco; comments by 6-26-78 22727; 5-26-78
Food Safety and Quality Service—
Nitrates and nitrites; Federal meat inspection regulations; comments by 6-27-78 18193; 4-28-78
Forest Service—
Prohibitions; expansion of scope and areas designated by orders to include the wild and scenic rivers system; comments by 6-30-78 23610; 5-31-78
Rural Electrification Administration—
REA Specification PE-41 for Improved 500 Type Telephone Sets, proposed revision; comments by 6-29-78 22985; 5-30-78

CHILD, INTERNATIONAL YEAR OF THE, 1979, NATIONAL COMMISSION

Privacy Act of 1974; implementation; comments by 6-30-78 23583; 5-31-78

CIVIL AERONAUTICS BOARD

Expedited procedures for licensing and rate cases; comments by 6-30-78 21690; 5-19-78
Protection of charter participants; funds; comments period extended to 6-30-78 17967; 4-27-78
Rules of practice in economic proceedings expedited procedures for licensing and rate cases; comments by 6-30-78 21690; 5-19-78
U.S. Corporations which do not qualify as a "Citizen of the United States"; comments by 6-30-78 18196; 4-28-78

CIVIL SERVICE COMMISSION

Federal Employees Health Benefits Program; miscellaneous amendments; comments by 6-26-78 17474; 4-25-78

COMMERCE DEPARTMENT

Economic Analysis Bureau—
Direct investment surveys; mandatory reporting requirement; comments by 6-26-78 22053; 5-23-78
National Oceanic and Atmospheric Administration—
Annual allocations of cod and haddock by vessel classes; comments by 7-1-78 21339; 5-17-78
Commercial Tanner crab fishery off coast of Alaska; comments by 6-30-78 21170; 5-16-78

CONSUMER PRODUCT SAFETY COMMISSION

Consumer products containing benzene as an intentional ingredient or as a contaminant; comments by 6-30-78 21839; 5-19-78
Consumer products containing benzene as an intentional ingredient or as a contaminant under the Consumer Product Safety Act; comments by 6-30-78 21838; 5-19-78
Products requiring special labeling under section 3(b) of the FHSA, benzene; comments by 6-30-78 21852; 5-19-78
Substances requiring special packaging, benzene; comments by 6-30-78 .. 21853; 5-19-78

COST ACCOUNTING STANDARDS BOARD

Accounting for insurance costs; cost accounting standards; comments by 6-30-78 20806; 5-15-78

ENERGY DEPARTMENT

Improving energy regulations; response to E.O. No. 12044; comments by 6-30-78 18634; 5-1-78

ENVIRONMENTAL PROTECTION AGENCY

Administrative order issued by the Commonwealth of Kentucky, Department for Natural Resources and Environmental Protection, to Airco, Inc.; proposed disapproval; comments by 6-29-78 ... 23002; 5-30-78

California; South Coast Quality Management District; air pollution emergency episode regulations; comments by 6-26-78, 22748; 5-26-78

Compliance order for WSC Corp., Chicago, Ill., delayed; comments by 6-29-78 23004; 5-30-78

Fuels and fuel additives; extension of comment period to 6-26-78 ... 24331; 6-5-78
[First published at 43 FR 17841, Apr. 26, 1978]

Grants for construction of treatment works; implementation of Clean Water Act of 1977; comments by 6-30-78 17690; 4-25-78

Pesticides; tolerances for 2,6-dimethyl-4-tridecylmorpholine; comments by 6-26-78 22751; 5-26-78

Standards applicable to transporters of hazardous waste; comments by 6-27-78 18506; 4-28-78

State implementation plans:

California; comments by 6-30-78 . 23610; 5-31-78

Ohio; comments by 6-30-78 23611; 5-31-78

Ohio; comments by 6-30-78 23614; 5-31-78

Washington; comments by 6-30-78 23615; 5-31-78

State Management Assistance Grants; comments by 6-30-78 17716; 4-25-78

U.S. Army Depot Activity at Pueblo, Colo.; approval of order issued by State of Colorado; comments by 6-26-78 22749; 5-26-78

FEDERAL COMMUNICATIONS COMMISSION

Amateur radio service; simplification of licensing and call sign assignment systems; reply comments by 6-30-78 7332; 2-22-78

Table of assignments, FM broadcast stations—

Barstow, Yermo, and Mountain Pass, Calif.; reply comments by 6-26-78 17979; 4-27-78

Yermo and Mountain Pass, Calif.; comments by 6-27-78 20247; 5-11-78

Permittees and Licensees; Commission inquiries and making of misrepresentations to the Commission by; comments by 6-26-78 14693; 4-7-78

FEDERAL ELECTION COMMISSION

Presidential election campaign fund; Federal financing of conventions, presidential primary matching fund, and general election financing; revision of regulations; comments by 6-30-78 23587; 5-31-78

FEDERAL RESERVE SYSTEM

Credit by brokers and dealers; subordinated credit extended for capital purposes; comments by 6-28-78 23588; 5-31-78

Minor irregularities—maximum irregular period limits; revised interpretations; comments by 6-26-78 23726; 6-1-78

REMINDERS—Continued

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

- Food and Drug Administration—
 - Drained weight or solid content weight for canned fruits and vegetables; label statement, standards of fill container, and temporary labeling exemption; comments by 7-1-78..... 62282; 12-9-77
 - Food contact articles; use of polyoxyethylene (20 moles) lanolin as component of adhesives; comments by 6-26-78 22675; 5-26-78
 - Recycled animal waste; request for data, information, and views; submissions by 6-26-78 64662; 12-27-77
- Public Health Service—
 - Health systems agency and State agency reviews of the appropriateness of existing institutional health services and of proposed new institutional health services; comments by 6-30-78 21274; 5-16-78
- Social Security Administration—
 - Supplemental security income for the aged, blind and disabled; exclusion of receipts from lands held in trust for Indian tribes from countable income and resources; comments by 5-30-78 18205; 4-28-78
 - Supplemental security income for the aged, blind and disabled; evidence of permanent residence in U.S. under color of law; comments by 6-30-78 ... 21012; 5-16-78

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

- Community Planning and Development, Office of Assistant Secretary—
 - Urban Homesteading Program; comments by 6-30-78 23692; 5-31-78

INTERIOR DEPARTMENT

- Fish and Wildlife Service—
 - Bonytail chub, proposed endangered status; razorback sucker, proposed threatened status; comments by 6-26-78 17375; 4-24-78
 - Lechwe and leopard; review of status; comments by 6-30-78.. 18583; 5-1-78
- Geological Survey—
 - Oil and gas and sulphur operations on the Outer Continental Shelf; list of consultation States; comments by 6-30-78..... 24710; 6-7-78
- Indian Affairs Bureau—
 - Enrollment appeals; filing and processing; comments by 6-29-7822997; 5-30-78
- Land Management Bureau—
 - Alaska native selections; reservation of public easements; comments by 6-26-78 22620; 5-25-78
- Reclamation Bureau—
 - Sale of replacement farm units to Teton flood victims; comments by 6-30-78..... 24072; 6-2-78
- Surface Mining Reclamation and Enforcement Office—
 - Abandoned mine land reclamation program provisions; comments by 6-26-78 17918; 4-26-78

INTERSTATE COMMERCE COMMISSION

- Motor common carriers; investigation into estimating practices; comments by 6-30-78 18712; 5-2-78
- Pack-and-crate operation on behalf of the Defense Department; transportation of used household transportation of used household goods; comments by 6-26-78 17509; 4-25-78

JUSTICE DEPARTMENT

- Attorney General—
 - Privacy Act of 1974; Exemption of records systems; comments by 6-29-78 22999; 5-30-78
- Parole Commission—
 - Parole; prisoners subject to immigration detainer; comments by 6-30-78 22747; 5-26-78
 - Parole; forfeiture of statutory "good time"; comments by 6-30-78 22747; 5-26-78

LABOR DEPARTMENT

- Employment and Training Administration—
 - Labor certification process for the temporary employment of aliens in agriculture; adverse effect wage rate for Texas; comments by 6-29-78 22996;
- Occupational Safety and Health Administration—
 - Cutaneous and eye hazard; comments by 6-30-78 22999; 5-30-78
- Pension and Welfare Benefit Programs Office—
 - Investment of plan assets under the "Prudence" rule; comments by 6-26-78 17480; 4-25-78
- Regulations governing requests by participants, beneficiaries, or fiduciaries for the Secretary of Labor to exercise enforcement authority; comments by 6-26-78 17470; 4-25-78

NUCLEAR REGULATORY COMMISSION

- Licensing of production and utilization facilities; antitrust review procedures; comments by 6-26-78 17830; 4-26-78

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

- Acquisition of real property and procedures for obtaining relocation benefits; interim regulations; comments by 6-30-78 22707; 5-26-78

SECURITIES AND EXCHANGE COMMISSION

- Filing and disclosure requirements relating to beneficial ownership; comments by 6-30-78 18501; 4-28-78

TRANSPORTATION DEPARTMENT

- Coast Guard—
 - Drawbridge regulations:
 - Pequonnock River, Connecticut; comments by 6-27-78.... 22410; 5-25-78
 - Wading River, New Jersey; comments by 6-27-78 22410; 5-25-78
 - Federal Highway Administration—
 - Employee health and safety standards; comment period extended to 6-30-78 21338; 5-17-78
- [Originally published at 43 FR 8566, Mar. 2, 1978]

- Step, handhold, and deck requirements on commercial motor vehicles; comments by 6-30-78 21337; 5-17-78
- Materials Transportation Bureau—
 - Shippers: Specifications for pressure tank car tanks; comments by 6-26-78 20250; 5-11-78
- National Highway Traffic Safety Administration—
 - Elimination of certain requirements for seat belt assembly anchorages; comments by 6-26-78 22419; 5-25-78
- Saint Lawrence Seaway Development Corporation—
 - Joint Tolls Advisory Board, rules of procedure; comments by 6-30-78 20820; 5-15-78

TREASURY DEPARTMENT

- Alcohol, Tobacco, and Firearms Bureau—
 - Firearms regulations; comments extended to 6-30-78 (2 documents) 21901; 5-22-78
- [Originally published at 43 FR 11800, 11803, 3-21-78]
- Customs Service—
 - Extension of time for comments concerning proposed amendments to the customs regulations relating to foreign repairs to and equipment purchased for American vessels; comments by 6-30-78 21693; 5-19-78
 - Field organization; change in status of Point Roberts; Wash.; comments by 6-26-78 22752; 5-26-78

Next Week's Meetings

ACTUARIES, JOINT BOARD FOR THE ENROLLMENT

- Joint Board Actuarial Examinations Advisory Committee, Washington, D.C. (open), 6-28-78 21952; 5-22-78

AGRICULTURE DEPARTMENT

- Agricultural Marketing Service—
 - Flue-Cured Tobacco Advisory Committee, Raleigh, N.C. (open), 6-29-78 .. 25701; 6-14-78
- Animal and Plant Health Inspection Service—
 - Foreign Animal Diseases Advisory Committee, Greenport, N.Y. (open), 6-27-78..... 24564; 6-6-78
 - Pseudorabies, Nashville, Tenn. and Washington, D.C. (open), 6-27-78..... 25433; 6-13-78

Forest Service—

- Cascade Head Scenic-Research Area Advisory Council, Lincoln City, Ore. (open), 6-30-78 24081; 6-2-78
- Science and Education Administration—
 - General Conference Committee of the National Poultry Improvement Plan, Las Vegas, Nev. (open), 6-26 thru 6-29-78 25351; 6-12-78

ARTS AND HUMANITIES NATIONAL FOUNDATION

- Federal-State Partnership Advisory Panel, Jacksonville, Ore. (open), 6-27 thru 6-29-78 25209; 6-9-78

REMINDERS—Continued

Humanities Panel, Advisory Committee,
Washington, D.C. (open), 6-29-78.. 25501;
6-13-78

CIVIL RIGHTS COMMISSION

California Advisory Committee, San Diego,
Calif. (open), 6-26-78..... 22066; 5-23-78
Indiana Advisory Committee, Fort Wayne,
Ind. (open), 6-29 and 6-30-78..... 22766;
5-26-78
Minnesota Advisory Committee, St. Paul,
Minn. (open), 6-29-78.... 25852; 6-15-78

COMMERCE DEPARTMENT

Economic Development Administration—
Mid-Atlantic Fishery Management Coun-
cil's Groundfish Advisory Subpanel,
Riverhead, N.Y. (open), 6-26-78 25169;
6-9-78
New England Fishery Management Coun-
cil, North Dartmouth, Mass. (open), 6-28
and 6-29-78..... 25169; 6-9-78
Foreign-Trade Zones Board—
Examiners Committee, Riverhead, N.Y.
(open), 6-29-78..... 24723; 6-7-78
National Bureau of Standards—
Visiting Committee, Gaithersburg, Md. and
Washington, D.C. (open), 6-27 and
6-28-78..... 21925; 5-22-78
National Oceanic and Atmospheric Adminis-
tration—
Gulf of Mexico Fishery Management Coun-
cil's Shrimp Advisory Panel and Stone
Crab Advisory Panel, Kenner, La.
(open), 6-27 and 6-28-78..... 24348;
6-5-78
Gulf of Mexico Fishery Management Coun-
cil, Scientific and Statistical Committee
and Advisory Panel, New Orleans, La.
(open), 6-27 thru 6-29-78..... 23628;
5-31-78
Marine Turtle Program (Southeast Re-
gion), Tampa, Fla. (open), 6-26 and
6-27-78..... 24115; 6-2-78
South Atlantic Fishery Management Coun-
cil, Atlanta, Ga. (open), 6-27 thru
6-29-78..... 23629; 5-31-78
Office of the Secretary—
National Laboratory Accreditation Criteria
Committee for Thermal Insulation Mate-
rials, Washington, D.C. (open), 6-29 and
6-30-78..... 25170; 6-9-78

DEFENSE DEPARTMENT

Office of the Secretary—
DOD Advisory Group on Electron Devices,
Goleta, Calif. (closed), 6-29-78 23755;
6-1-78
Department of Defense Wage Commit-
tee, Washington, D.C. (closed),
6-27-78..... 15179; 4-11-78
DOD Advisory Group on Electron Devices,
Working Group B (Mainly Low Power
Devices), Los Angeles, Calif. (closed),
6-29-78..... 24568; 6-6-78

ENERGY DEPARTMENT

Solar Energy Policy, Boston, Mass. and Chi-
cago, Ill. (open), 6-26-78. 24569; 6-6-78
Solar Energy Policy, Kansas City, Mo. (open),
6-27-78..... 24569; 6-6-78
Solar Energy Policy, Dallas, Tex. (open),
6-29-78..... 24569; 6-6-78

ENVIRONMENTAL PROTECTION AGENCY

Administrator's Toxic Substances Advisory
Committee, New York, N.Y. (open) 6-25
thru 6-27-78..... 23648;
5-31-78—24593; 6-6-78
Grants for construction of municipal
wastewater treatment works:
Albany, N.Y. (open) 6-28-78..... 24713;
6-7-78
Atlanta, Ga. (open) 6-28-78..... 24713;
6-7-78
Boston, Mass. (open) 6-28-78..... 24713;
6-7-78
Chicago, Ill. (open) 6-26-78..... 24713;
6-7-78
Dallas, Tex. (open) 6-28-78..... 24713;
6-7-78
Denver, Colo. (open) 6-29-78..... 24713;
6-7-78
Kansas City, Mo. (open) 6-28-78. 24713;
6-7-78
New York, N.Y. (open) 6-30-78... 24713;
6-7-78
Rochester, N.Y. (open) 6-26-78... 24713;
6-7-78
San Francisco, Calif. (open)
6-28-78..... 24713; 6-7-78
Seattle, Wash. (open) 6-29-78..... 24713;
6-7-78
Resource Conservation Committee, Wash-
ington, D.C. (open) 6-26-78..... 22442;
5-25-78
Resource Conservation Committee, San
Francisco, Calif. (open) 6-30-78.. 22443;
5-25-78
Science Advisory Board, Environmental
Health Advisory Committee, Study Group
on Pesticide Tolerances, Washington, D.C.
(open) 6-27 thru 6-29-78 21581; 6-9-78

FEDERAL COMMUNICATION COMMISSION

Private Land Mobile Advisory Committee,
Washington, D.C. (open) 6-26-78.
24747; 6-7-78
RTCM, Special Committee No. 73, "Minimum
Performance Standards (MPS)—Omega
Receiving Equipment", Washington, D.C.,
6-26-78..... 23759; 6-1-78

FINE ARTS COMMISSION

Various Projects Affecting Appearance of
Washington, D.C., Washington, D.C.,
6-27-78..... 24117; 6-2-78

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

Alcohol, Drug Abuse, and Mental Health Ad-
ministration—
Clinical Program-Projects Research Re-
view Committee, Arlington, Va. (partially
open) 6-26 and 6-27-78..... 18252;
4-28-78
Food and Drug Administration—
Cardiovascular Device Classification Pan-
el, Washington, D.C. (open) 6-30-78.
21052; 5-16-78
Immunology Device Classification Panel,
Silver Spring, Md. (open) 6-29-78.
21052; 5-16-78
Initial Distributors of Imported Devices,
San Francisco, Calif. (open) 6-29-78.
25192; 6-9-78 *

Health Care Financing Administration—
New directions for skilled nursing and in-
termediate care facilities, Rockville, Md.,
6-27 and 6-28-78..... 24873; 6-8-78
Health Resources Administration—
Nurse Training National Advisory Council,
Hyattsville, Md. (partially open) 6-26
through 6-29-78..... 24606; 6-6-78
National Institutes of Health—
Aging Review Committee, Bethesda, Md.
(partially open) 6-30-78..... 22787;
5-26-78
Cancer Clinical Investigation Review Com-
mittee, Bethesda, Md. (partially open)
6-26 and 6-27-78..... 19464; 5-5-78
Cancer Control, Treatment, Rehabilitation
and Continuing Care Review Committee,
Bethesda, Md. (partially open)
6-29-78..... 19464; 5-5-78
Carcinogenesis Program Scientific Review
Committee, Bethesda, Md. (partially
open) 6-29 and 6-30-78..... 19464;
5-5-78
Chemical Selection Subgroup of the
Clearinghouse on Environmental Car-
cinogens, Bethesda, Md. (open)
6-27-78..... 18262; 4-28-78
Committee on Cytology Automation, Be-
thesda, Md. (open) 6-29-78..... 18262;
4-28-78
Data Evaluation Risk Assessment of the
Clearinghouse on Environmental Car-
cinogens, Bethesda, Md. (open)
6-29-78..... 18262; 4-28-78
Experimental Design Subgroup of the
Clearinghouse on Environmental Car-
cinogens, Bethesda, Md. (open)
6-28-78..... 18262; 4-28-78
General Medicine A Study Section, Be-
thesda, Md. (partially open) 6-25
through 6-28-78..... 18260; 4-28-78
Heart, Lung, and Blood Research Review
Committee A, Bethesda, Md. (partially
open) 6-30 and 7-1-78..... 22788;
5-26-78
Minority Access to Research Careers Re-
view Committee, Bethesda, Md. (partial-
ly open) 6-27 through 6-30-78. 22789;
5-26-78
National Commission on Digestive Dis-
eases, Cherry Hill, N.J. (open) 7-1
through 7-4-78..... 19465; 5-5-78
Oral Biology and Medicine Study Section,
Silver Spring, Md. (partially open) 5-30
through 6-2-78..... 18260; 4-28-78
State-of-the-art Conference in Screening
and Early Detection of Colorectal Can-
cer, Bethesda, Md. (open) 6-26 through
6-28-78..... 20563; 5-12-78
Transplantation Biology and Immunology
Committee, Bethesda, Md. (partially
open) 6-26 and 6-27-78..... 16417;
4-18-78
Visual Sciences A Study Section, Wash-
ington, D.C. (partially open) 6-26
through 6-28-78..... 18260; 4-28-78

INTERIOR DEPARTMENT

Land Management Bureau—
Geothermal Streamlining Task
Force, Washington, D.C. (open),
6-27-78..... 22247; 5-24-78

REMINDERS—Continued

INTERNATIONAL COMMUNICATION AGENCY

Advisory Panel on Classical Music of the Advisory Committee on Music, Washington, D.C. (open), 6-26 and 6-27-78 25196; 6-9-78

MINIMUM WAGE STUDY COMMISSION

Washington, D.C. (open), 6-29-78 ... 25501; 6-13-78

NATIONAL TRANSPORTATION POLICY STUDY COMMISSION

Washington, D.C. (open), 6-29-78 ... 25212; 6-9-78

NUCLEAR REGULATORY COMMISSION

ACRS Subcommittee on the New England Power Company Nuclear Project, NEP Units 1 and 2, Cranston, R.I. (partially open), 6-28 and 6-29-78 25389; 6-12-78
ACRS Subcommittee on the Davis Bease Nuclear Power Station, Units 2 and 3, Washington, D.C. (partially open), 6-30-78 19081; 5-3-78—20571; 5-12-78
ACRS Subcommittee on Electrical Systems, Control and Instrumentation, Washington, D.C. (open), 6-29-78 25503; 6-13-78
ACRS Subcommittee on Naval Reactors/Naval Operations, Saratoga County, N.Y. (closed), 6-29-78 25389; 6-12-78
Naval Reactors/Naval Operations, Schenectady, N.Y., 6-28-78 18365; 4-28-78

RENEGOTIATION BOARD

Meeting, Washington, D.C. (open), 6-28-78 19105; 5-3-78

SCIENCE AND TECHNOLOGY POLICY OFFICE

Review Panel on Dam Safety Programs, Washington, D.C. (open), 6-28-78 25392; 6-12-78

STATE DEPARTMENT

Law of the Sea Advisory Committee, Washington, D.C. (partially open), 6-26 and 6-27-78 24928; 6-8-78
Private International Law Advisory Committee, Study Group on Negotiable Instruments, United Nations Plaza, N.Y. (open), 6-30-78 23668; 5-31-78
Transnational Enterprises Advisory Committee, Washington, D.C. (open), 6-27-78 23668; 5-31-78

TRADE NEGOTIATIONS OFFICE OF SPECIAL REPRESENTATIVE

Advisory Committee for Trade Negotiations, Geneva, Switzerland (closed), 6-26 and 6-27-78 24750; 6-7-78

TRANSPORTATION DEPARTMENT

Federal Railroad Administration—Minority Business Resource Center Advisory Committee, Washington, D.C. (open), 6-30-78 25213; 6-9-78

VETERANS ADMINISTRATION

Central Office Education and Training Review Panel, Washington, D.C. (open), 6-28-78 24642; 6-6-78
Cooperative Studies Evaluation Committee, Washington, D.C. (partially open), 6-26 thru 6-28-78 23070; 5-30-78
Station Committee on Educational Allowances, Waco, Tex. (open), 6-30-78 25215; 6-9-78
Veterans Administration Wage Committee, Washington, D.C. (closed), 6-29-78 10664; 3-14-78

Next Week's Public Hearing

COMMERCE DEPARTMENT

Foreign-Trade Zones Board—Foreign-trade zone and temporary subzone, New Jersey; Morristown, N.J., 6-28-78 24566; 6-6-78
National Oceanic and Atmospheric Administration—Atlantic sea herring fishery management plan, draft environmental impact statement, Peabody, Mass., 6-27-78 24885; 6-8-78
Coastal management program for Hawaii; draft environmental impact statement; Honolulu, Hawaii, 6-29-78 21925; 5-22-78
Coastal management program for Hawaii; draft environmental impact statement; Lihue, Kauai, Hawaii, 6-26-78 21925; 5-22-78
Coastal management program for Hawaii; draft environmental statement; Kahului, Maui, Hawaii, 6-28-78 21925; 5-22-78
Collection of information on need for additional regulations for protection of humpback whales in Hawaii, Honolulu, Hawaii, 6-29-78 25349; 6-12-78

ENVIRONMENTAL PROTECTION AGENCY

MMT Waiver Request, Washington, D.C., 6-27 thru 6-30-78 24742; 6-7-78

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

Food and Drug Administration—Bakery products; standards of identity, Rockville, Md., 6-28-78 22785; 5-26-78

INTERIOR DEPARTMENT

Land Management Bureau—Mid-Atlantic States Outer Continental Shelf oil and gas lease, Atlantic City, N.J., 6-27 thru 6-30-78 20563; 5-12-78

INTERNATIONAL TRADE COMMISSION

Investigation of certain fishing tackle, Chicago, Ill., 6-27-78 25388; 6-12-78

UNEMPLOYMENT COMPENSATION NATIONAL COMMISSION

Washington, D.C., 6-26 and 6-27-78 18073; 4-27-78

VETERANS ADMINISTRATION

Nondiscrimination on basis of handicap, Washington, D.C., 6-26-78 25146; 6-9-78

List of Public Laws

This is a continuing listing of public bills that have become law, the text of which is not published in the **FEDERAL REGISTER**. Copies of the laws in individual pamphlet form (referred to as "slip laws") may be obtained from the U.S. Government Printing Office.

[Last Listing: May 11, 1978]

H.R. 11657 Pub. L. 95-295
To amend the Central, Western, and South Pacific Fisheries Development Act to increase the appropriation authorization through fiscal year 1982, to expand the United States fisheries development effort, and to cooperate in the formation and research of the South Pacific regional fishery agency, and for other purposes. (June 16, 1978; 92 Stat. 319)
Price: \$.50

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.

[3410-08]

Title 7—Agriculture

CHAPTER IV—FEDERAL CROP INSURANCE CORPORATION, DEPARTMENT OF AGRICULTURE

[Amdt. No. 89]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1969 and Succeeding Crop Years

PEANUTS

AGENCY: Federal Crop Insurance Corporation.

ACTION: Final rule.

SUMMARY: This rule amends the regulations for insuring peanuts as found in 7 CFR § 401.138 of the Federal Crop Insurance Regulations for the 1969 and Succeeding Crop Years as they relate to peanut support prices in determining the amount of insurance per acre.

EFFECTIVE DATE: November 15, 1977.

FOR FURTHER INFORMATION CONTACT:

Peter F. Cole, Secretary, Federal Crop Insurance Corporation, U.S. Department of Agriculture, Washington, D.C., 20250 (202-447-3325).

SUPPLEMENTARY INFORMATION: Under the authority contained in the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.), the Federal Crop Insurance Corporation is amending § 401.138 to Title 7 of the Code of Federal Regulations as indicated below, effective with the 1978 and succeeding crop years. Section 2 of 7 CFR § 401.138 Amount of insurance per acre provides that the amount of insurance per acre for peanuts shall be the applicable pounds of peanuts per acre multiplied by the average support price per pound for peanuts under the United States Department of Agriculture's Peanut Price Support Program. The proposed amendment would provide for conformation with the provisions of the Farm and Agriculture Act of 1977 as they relate to peanut support prices.

Notice of any changes must be given to policyholders on or before Decem-

ber 15, 1977, and such change as is proposed in Amendment No. 89 is not considered substantive. Accordingly, the Corporation has found and determined that compliance with the procedure for notice and public participation is impractical and contrary to the public interest. Therefore, Amendment No. 89 to the Federal Crop Insurance Regulations for the 1969 and Succeeding Crop Years is issued without compliance with such procedure.

Accordingly, 7 CFR 401.138 is amended as set forth below effective with the 1978 and succeeding crop years until amended or superseded. The provisions of 7 CFR § 401.138 effective for the 1977 crop year, shall remain in effect for the 1977 crop year. Pursuant to the authority contained in the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.), Section 2 of the Peanut Endorsement as found in § 401.138 is hereby amended to read as follows:

§ 401.138 Peanut endorsement.

* * * * *

Section 2. *Amount of insurance per acre.* The dollar amount of insurance per acre for each crop year shall be the applicable pounds per acre of peanuts shown on the actuarial table multiplied by the average support price for quota peanuts per pound for the insured type of peanuts for the crop year as announced by the United States Department of Agriculture under the peanut price support program. (Support price for quota peanuts is hereinafter called "support price.")

* * * * *

AUTHORITY: The provisions of the subpart are issued under secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516.

NOTE.—The reporting requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

NOTE.—The Federal Crop Insurance Corporation has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

Approved by the Board of Directors.

Effective November 15, 1977.

PETER F. COLE,
Secretary, Federal Crop
Insurance Corporation.

Approved by:

BOB BERGLAND,
Secretary.

JUNE 15, 1978.

[FR Doc. 78-17183 Filed 6-20-78; 8:45 am]

[3410-07]

CHAPTER XVIII—FARMERS HOME ADMINISTRATION, DEPARTMENT OF AGRICULTURE

SUBCHAPTER B—LOANS AND GRANTS PRIMARYLY FOR REAL ESTATE PURPOSES

[FmHA Instruction 444.5]

PART 1822—RURAL HOUSING LOANS AND GRANTS

Subpart D—Rural Rental Housing Loan Policies, Procedures, and Authorizations

AMENDMENT

AGENCY: Farmers Home Administration, USDA.

ACTION: Final rule.

SUMMARY: The Farmers Home Administration amends its regulations regarding the definition of Senior Citizens, Handicapped, and eligible occupants for Rural Rental Housing Loans. The intended effect of this action is to extend to handicapped persons those benefits previously given only to senior citizens. This action is being taken to comply with Section 507 of the Housing and Community Act of 1977 regarding the rights of handicapped citizens.

EFFECTIVE DATE: June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

Paul R. Conn (202) 447-7207.

SUPPLEMENTARY INFORMATION: Paragraphs (b) and (e)(1) of § 1822.83, Subpart D, Part 1822, Chapter XVIII, of Title 7 in the Code of Federal Regulations are amended to include a definition of handicapped persons and to define eligibility for occupancy of rural rental housing projects financed with a direct loan.

It is the policy of this Department that rules relating to public property, loans, grants, benefits, or contracts shall be published for comment notwithstanding the exemption of 5 U.S.C. 553 with respect to such rules. This amendment, however, is being published effective as a final rule. This action is being taken to allow handicapped persons occupancy of housing financed with rural rental housing loans and to correct an omission in the eligible occupants definition. Any delay in implementing this amendment would be contrary to the public interest because handicapped persons could be denied adequate housing in rural areas. Therefore, expedient action is necessary. Further clarification will be made when the entire Subpart is revised in the near future.

As amended §1822.83, paragraphs (b) and (e)(1) read as follows:

§ 1822.83 Definitions.

(b) *Senior Citizens.*—(1) *Senior Citizen.* A person who is 62 years of age or over and in the case of a married couple may be either the wife or husband. A person younger than 62 years of age may reside with a senior citizen provided (i) the person is considered a member of the family of the senior citizen, or (ii) the persons occupancy can be shown to be necessary for the well being of the senior citizen.

(2) *Handicapped Persons.*—(i) A person, or in the case of a married couple either the husband or wife, who has an impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his or her ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions or if such person is a developmentally disabled individual. A developmentally disabled individual is a handicapped person with a disability attributable to mental retardation, cerebral palsy, epilepsy, autism, or other condition found to be closely related to mental retardation or to require treatment and services similar to that required for mentally retarded individuals. The developmental disability must originate before such person attains age eighteen, must have continued or be expected to continue indefinitely, and must constitute a substantial handicap to such person's ability to function normally in society. A person who is not handicapped may reside with the handicapped person provided (A) the person is considered a member of the family of the handicapped, or (B) the persons occupancy can be shown to be necessary for the well being of the handicapped.

(ii) Anywhere the term Senior Citizen appears in this Subpart, the words

"or handicapped persons" as defined in this Subpart should be read in as if they followed the words senior citizen.

(c) *Eligible occupants.*—(1) For a direct loan or a loan developed under Plan I:

(42 U.S.C. 1480 delegation of authority by the Sec. of Agri., 7 CFR 2.23; delegation of authority by the Asst. Sec. for Rural Development, 7 CFR 2.70.)

Dated: June 13, 1978.

GORDON CAVANAUGH,
Administrator,
Farmers Home Administration.

[FR Doc. 78-17106 Filed 6-20-78; 8:45 am]

[4510-27]

Title 29—Labor

CHAPTER V—WAGE AND HOUR
DIVISION, DEPARTMENT OF LABOR

PART 575—WAIVER OF CHILD
LABOR PROVISIONS FOR AGRICULTURAL
EMPLOYMENT OF 10
AND 11 YEAR OLD MINORS IN
HAND HARVESTING OF SHORT
SEASON CROPS

Provisions Governing Application for
and Granting of a Waiver

AGENCY: Wage and Hour Division,
Labor.

ACTION: Final rules.

SUMMARY: The Administrator of the Wage and Hour Division of the Department of Labor is publishing final rules governing the application for and granting of a waiver pursuant to section 13(c)(4) of the Fair Labor Standards Act of 1938, as amended. This section, added to the Act by the Fair Labor Standards Amendments of 1977, authorizes the Secretary of Labor to grant a waiver from the child labor provisions of the Act for the agricultural employment of 10 and 11 year old minors in the hand harvesting of short season crops if specific requirements are met and under conditions provided in that section of the Act or prescribed by the Secretary of Labor.

EFFECTIVE DATE: These regulations are issued pursuant to a statutory provision which relieves restrictions, and therefore in accordance with 5 U.S.C. 553(d) shall be effective June 21, 1978.

FOR FURTHER INFORMATION
CONTACT:

Xavier M. Vela, Administrator,

Wage and Hour Division, Attention:
Lucille C. Pinkett, Room S-3022,
New Department of Labor Building,
200 Constitution Avenue NW.,
Washington, D.C. 20210, telephone
202-523-8412.

SUPPLEMENTARY INFORMATION:

BACKGROUND

The Administrator of the Wage and Hour Division of the Department of Labor is publishing final regulations pursuant to section 13(c)(4) of the Fair Labor Standards Act of 1938, as amended. These regulations establish the procedures and requirements for application for and granting of a waiver of the child labor provisions of the Act for agricultural employment of 10 and 11 year old minors in hand harvesting of short season crops.

The child labor provisions of the Fair Labor Standards Act, section 12, prescribe the following minimum age standards for employment in agriculture: 16 years of age if the agricultural occupation has been declared hazardous by the Secretary of Labor, or if it is to be performed during school hours; 14 years of age if the employment is outside school hours and is in an agricultural occupation not declared hazardous by the Secretary of Labor, except that 12 and 13 year old minors may be employed in such non-hazardous occupations outside school hours either with written parental consent or on a farm where the minor's parent or person standing in place of the parent or person is also employed. Minors under 12 years of age may also be employed in such non-hazardous occupations outside school hours with written parental consent provided they work on farms where the employees are exempt from the Federal minimum wage provisions (a farm which did not use more than 500 man-days of agricultural labor during any calendar quarter during the preceding calendar year).

Minors of any age may be employed by their parent or person standing in place of their parent at any time in any occupation on a farm owned or operated by their parent or person standing in place of their parent.

Section 13(c)(4) authorizes the Secretary to grant a waiver from the standards described above to permit the employment of 10 and 11 year old minors in agriculture as hand harvesters of short season crops when specific requirements are met and in accordance with the conditions provided in the statute or prescribed by the Secretary of Labor in these regulations. (The Secretary of Labor's authority under the Act has been delegated to the Administrator of the Wage and Hour Division, Secretary's Order No. 16-75, 40 FR 55913 and Employment Standards Order No. 2-75, 40 FR 56743.) These regulations specify the

information that an employer or group of employers must submit when applying for a waiver under section 13(c)(4). The regulations also include the standards the Secretary of Labor has established for the employment of these minors under a granted waiver.

PROPOSED REGULATIONS

The regulations were published as proposed rulemaking on April 4, 1978, at 43 FR 14068. Initially comments were invited until May 4, 1978. Notice of a hearing in this matter to be held at Washington, D.C., on May 11, 1978, was published in the *FEDERAL REGISTER* on May 1 and 2, 1978, and the period for comment was extended to that date. The public hearing was held on May 11 and 12, and the record was held open for comment until May 23, 1978. Twenty seven individuals or organizations testified at the hearings and/or submitted statements for the record. In addition, the 159 written comments which were received during the entire comment period were incorporated in and made a part of the record of the hearing.

DEPARTMENT OF LABOR RESPONSE TO COMMENTS AND HEARING TESTIMONY

1. DEFINITIONS

The proposed regulations in § 575.2 set forth the definitions of terms used in the regulations. Nineteen commenters urged that the definition of "permanent residence" be amended to make it clear that a granted waiver would apply to local children and not to migratory children who, with their parents or persons standing in the place of their parents, are temporarily living in the community. The final regulations define "permanent residence" to mean the place where the minor and the minor's parent or person standing in place of parent reside year-round. The descriptive "year-round" suggested by 15 of the commenters was adopted to emphasize that only local 10 and 11 year olds, as distinguished from migrant children, could be employed under a waiver. In addition, the definition of "commute daily" was added to provide that children travel daily to and from their permanent residences.

The proposed regulations defined school hours on the basis of the official school calendars for the school districts where the minors are living while so employed and in § 575.4 required a copy of the appropriate school calendar to be filed with the application. Ten commenters objected to the use of the official school calendar (for the school district where the minor is living while so employed) as the determinant of "school hours" on the basis that such calendars are changed during the school year. Two commenters from the State of Maine

advised that their school systems recess for 3 weeks for the potato harvest, and that the schools operate day-to-day, depending on weather conditions. The final regulations thus define "outside school hours" as any period of time when the school district of the minor's permanent residence does not assemble. Section 575.4 in the final regulations thus requires the applicant to submit a statement that the employment will be outside school hours.

Ten commenters recommended adding definitions of "severe economic disruption," "deleterious to their health," "knowledgeable individual," and that "hand harvest" be defined to exclude operation of power driven equipment. These recommendations have been incorporated in the final regulations as refinements of these terms in subsections 575.5(b), (c), and (e) and 575.8(f).

2. APPLICATION FOR WAIVER

The proposed regulations in § 575.3 provided that the applications, for which no particular form was prescribed, be filed with the Administrator 6 weeks prior to the period the waiver is to be in effect. Of the 34 commenters addressing themselves to this section, 21 considered the regulations too stringent, and 13 too lenient. Some commenters who considered the requirements too lenient recommended periods as high as 90 days to provide time to give adult workers notice of available jobs, and some proposed that all applications for waivers be published in the *FEDERAL REGISTER* with a stated period for public comment. Seven commenters objected to the 6 weeks as being too long, creating problems of last minute recruitment, and inability to predict weather conditions; they suggest periods as short as 3 weeks. The final regulations are clarified to indicate that 6 weeks is not a requirement but is suggested to permit adequate time for processing the application.

Twenty commenters recommended adoption of a standardized application form and acceptance of a single application prepared by the State, on behalf of all applicants within a state, including supporting data. The Department seriously considered these practical recommendations but determined that some of the statutory requirements were too varied and closely related to the needs of each employer. The final regulations thus provide for a check list in § 575.3(b) and a new § 575.5(g) to specify data which may be submitted as a group or by geographic areas.

3. GENERAL INFORMATION REQUIRED

The proposed regulations in § 575.4 prescribed the general information an applicant must provide. The general

information required in the final regulations, with the exception of editorial revisions, remains unchanged except for the requirement that the applicant state that the employment under the waiver will be outside school hours. This replaces the proposed requirement for the submission of school calendars.

4. SUPPORTING DATA

The proposed regulations in § 575.5 defined the objective data required by the statute to be submitted by the employer or group of employers. Eighty-four commenters addressed themselves to this section, and their comments will be discussed with reference to the particular objective data.

a. Short Season Crop

The proposed regulations in § 575.5(a) provided that the Administrator would accept the statement of the agricultural extension agent for the county to the effect that the variety of the crop to be harvested is harvested within 4 weeks in the particular region as evidence that the crop has a "particularly short harvest season." Of the 8 commenters on this requirement, one indicated that a general statement from a land grant college to that effect should be adequate for the state. Other indicated that 4 weeks was too short for some crops. The Department determined that the legislative history of the statute supported 4 weeks as delineating crops with a particularly short harvest season from others. The final regulations retain 4 weeks as the standard for a particularly short harvest season but delete the requirement that the supporting data must relate to each field and substitute therefor the requirement that the crop "must ordinarily be harvested within 4 weeks." The regulations also retain the provision that the statement to that effect may be from the agricultural extension agent since there is such an agent for each county.

b. Severe Economic Disruption

The proposed regulations in § 575.5(b) provided that the Administrator would accept written statements of knowledgeable individuals that document the fact that the 12 year minimum age would cause "severe economic disruption in the industry of the employer or group of employers" on the basis of comparison of industry statistics for seasons prior to 1974 with seasons subsequent thereto. Of the 26 commenters on this requirement, 7 considered it too stringent and urged that the regulations provide that the requirement be satisfied by the employer's statement of severe economic disruption. One urged that the State should be permitted to submit a single representation of such

economic disruption on a state-wide basis. Of the 19 commenters who considered the requirement too lenient, some criticized reliance on data submitted by the employer; and some argued that the data be documented from sources outside the industry. Others recommended that the employer be required to demonstrate a percentage crop loss based on the unavailability of 10 and 11 year old hand harvesters. Some contended that the determination of severe economic disruption should be based only on the showing of a substantial current economic loss. Others argued that severe economic disruption should be documented by a showing of insufficient available labor. The final regulations require that the documentation of severe economic disruption be related to the particular operation of the employer or each employer of a group of employers. They provide that "severe economic disruption in the industry" refers to the existence of a compelling need for the employment of 10 and 11 year old hand harvesters. Evidence of this compelling need may be shown by documentation that the requisite number of workers 12 and above needed to harvest the acreage planted based on labor requirements of the employer in previous years as well as the current year cannot be recruited.

c. Deleterious to Health or Well-Being

The proposed regulations in § 575.5(c) provided that the Administrator would accept statements from knowledgeable individuals, such as educators, doctors or nurses affiliated with schools or public health facilities, that the employment of minors under a waiver would not be deleterious to their health or well-being. Of the 29 commenters on this subsection, 6 considered the requirements too stringent, and recommended that a general certification by state health agencies to lack of harm should be adequate. Another commenter considered the requirement unnecessary asserting that it was duplicative of the requirement relating to the adverse effect of pesticides on the health or well-being of 10 and 11 year old minors. Of the 23 commenters who considered the requirements too lenient, most questioned the objectivity and expertise of local individuals. The final regulations thus require that the statement be from trained medical personnel, namely, doctors, nurses, or public health officials in the region. The regulations were also changed to indicate that the "health or well-being" refers to the health or well-being generally of 10 and 11 year old hand harvesters, and not to the tolerance level of pesticides and other chemicals.

d. Pesticides and Other Chemicals

The proposed regulations in § 575.5(d) required the employer or

group of employers to submit supporting data that the "level and type of pesticides and other chemicals used would not have an adverse effect on the health or well-being of" minors employed under the waiver. The data required identification of each pesticide or chemical used and the projected date of last application prior to harvest, and the standards of EPA, OSHA, NIOSH, or other comparable authority which establish that each field so treated will not adversely affect the health or well-being of minors who will enter such field on the first day of the period designated in the waiver. The Environmental Protection Agency, which is the Federal agency designated for determining safety standards for the use of pesticides and chemicals for agricultural workers, advised that the standards it has established for the reentry of agricultural workers after the application of pesticides were established for adult workers and not for the pubescent child. The agency has further advised that it had not and could not on the basis of its present knowledge establish any safe reentry times for 10 and 11 year olds. Several witnesses at the hearing also testified as to their personal experience as to the adverse effects of pesticides on children. Others argued that the regulations should accept the manufacturer's reentry times (based on EPA's standards) specified as being safe for 10 and 11 year olds. This suggestion was not adopted since it was established at the hearing that EPA safe reentry times were based on adult tolerance. Moreover, it was apparent from the testimony at the hearings that the currently established EPA and other federal standards have not been shown to be safe for 10 and 11 year olds. Accordingly till such standards are developed or until the Secretary obtains information establishing by objective data that specified reentry times are safe for 10 and 11 year olds, no waivers will be granted to an employer or group of employers who have used pesticides or other chemicals on the crops to be harvested. Therefore, the final regulations provide that the applicant, in order to satisfy this condition, will either have to submit a statement that no pesticides or other chemicals were used on the crop to be harvested or submit data which upon study by the Secretary or the Secretary's designee establishes safe reentry times for 10 and 11 year olds. If such data is sufficient or if standards are subsequently developed which establish safe reentry standards for 10 and 11 year olds, such application will be considered as meeting the pesticide requirement. If such data, or additional studies conducted by the Secretary or the Secretary's designee, establish safe reentry standards for 10 and 11 year olds this sec-

tion will be amended to include such standards, and the applicant will then need only identify the type and level of pesticides or other chemicals used and the date of last application of same prior to harvest.

e. Individuals Age 12 Years and Above Not Available

The proposed regulations in § 575.5(e) provided that the Administrator would accept the statement of an appropriate official of the state employment service or school district verifying that sufficient (this word was omitted in the published proposed regulations) individuals 12 years and above have not placed their names on recruitment lists for hand harvesting the crops specified in the application. Of the 38 commenters on this subsection, 13 considered the requirement too stringent. They argued that the requirement was too burdensome and frustrated the asserted intent of the legislation which was to allow participation of children under 12 years in hand harvesting along with those over 12 years of age; and that the state employment service could not determine availability in advance of the application. The 25 commenters who considered the requirement too lenient, objected that the lack of names on current recruitment lists did not show actual shortages and urged utilization of the existing interstate clearance system to recruit workers. Other commenters objected to the use of the state employment service on the ground that it had been criticized for failing to service farmworkers. The final regulations establish recruitment actions which the employer or group of employers must take in order to document the unavailability of individuals 12 years and above. Specifically these actions include placing an order with the local employment service for intrastate and interstate job orders, in which the piece rate is specified, in advance of the harvest season; placing two advertisements in local newspapers or advertising over local radio stations; contacting farm labor contractors and others; contacting schools, businesses and other organizations to enlist their help. The resulting recruitment of hand harvesters 12 years and above in an insufficient number to harvest the specified crops will establish the unavailability of individuals 12 years and above. An interstate order need not be placed if the applicant can demonstrate that suitable housing is not available. In order for the Secretary to evaluate whether or not these efforts were unsuccessful in locating sufficient numbers of older employees, information on the responses received, by age, would have to be submitted. Therefore, the final regulations require the submission of such information.

f. Traditional Employment of Children Under 12 Years Without Displacing Individuals Over 16 Years

The proposed regulations in § 575.5(f) provided for the documentation that the industry of the applicant has traditionally and substantially employed individuals under 12 years of age without displacing substantial job opportunities for individuals over 16 years of age. Documentation of the traditional aspect of such employment could include newspaper and other published reports; and documentation that such employment did not displace individuals over 16 years of age could include certification to that effect by officials of the state employment service. Of the 16 commenters on this subsection, some indicated that news articles were too casual documentation, and some indicated that individuals over 16 years were not interested in hand harvesting crops. Others considered the state employment service an inadequate information agency. Some commenters suggested that waivers be issued only in the areas (Washington, Oregon, and Maine) specifically mentioned in the legislative history as traditionally using such children. The Department considered all of these comments and determined that the language of the proposed regulations was appropriate for the information required. The final regulations retain the subsection unchanged.

5. PROCEDURES FOR ACTION ON AN APPLICATION

The proposed regulations in section 575.6 set forth the procedures the Administrator would follow when an application for a waiver is received. Two additional provisions were added to this section in the final regulations providing that a waiver shall be denied to any employer against whom a final civil money penalty is outstanding for violation of section 16(e) of the Act, and that if a waiver is granted the name and address of the employer to whom it was granted and the dates of the period the waiver will be in effect will be published in the FEDERAL REGISTER.

6. SECRETARY'S CONDITIONS FOR EMPLOYMENT UNDER A WAIVER

The proposed regulations in § 575.8 provided the terms and conditions prescribed by the Secretary for the protection of minors employed under a waiver.

With respect to other sections of the proposed regulations many commenters recommended that an employer or group of employers be required to obtain the written consent of the minor's parent or person standing in place of his/her parent to the employment of such minor under the waiver. The final regulations provide a

new subsection incorporating this requirement.

One of the Secretary's conditions limited employment under a waiver to 8 hours a day and 40 hours a week. Of the 17 commenters that addressed themselves to the hours limitation 2 commenters considered it too stringent because hours of harvest vary according to the weather and in good weather a 40 hour limit is not desirable. The other 15 commenters considered the hours too long for such young children, and recommended that it be cut to 4, 5, or 6 hours a day, and 24, 30, or 36 hours a week, with time specified for rest and lunch. The final regulations limit the hours of employment under a waiver to 5 in any one day and 30 in any workweek with a meal break of at least 30 minutes and 2 rest breaks of at least 15 minutes.

Many commenters suggested including provisions that the employer or group of employers be required to supply adequate sanitary facilities, drinking water, and first aid services. Other commenters also recommended that the employer or group of employers should be required to provide emergency transportation of the minor to the minor's permanent residence or the nearest hospital for any 10 or 11 year old who becomes ill or is injured during the normal hours of employment. The final regulations provide two new subsections requiring these conditions for employment under a waiver.

With respect to other sections of the proposed regulations many commenters expressed concern that 10 and 11 year old hand harvesters employed under a waiver might operate or be exposed to power driven farm machinery. The final regulations provide a new subsection prohibiting employment under a waiver in the operation of riding on, or in close proximity to power driven machinery and equipment.

OTHER CHANGES

In addition to the changes specified above, many editorial, organizational, and clarifying changes have been made.

These regulations have been developed under the direction and control of Xavier M. Vela, Administrator, Wage and Hour Division, New Department of Labor Building, 200 Constitution Avenue NW., Washington, D.C. 20210.

Accordingly, Chapter V of Title 29 of the Code of Federal Regulations is amended to add the new Part 575 as follows:

- Sec.
- 575.1 Purpose and scope.
- 575.2 Definitions.
- 575.3 Application for waiver.
- 575.4 Information to be included in application.

- Sec.
- 575.5 Supporting data to accompany application.
- 575.6 Procedure for action on an application.
- 575.7 Statutory conditions for employment under the waiver.
- 575.8 Secretary's conditions for employment under the waiver.
- 575.9 Failure to comply with terms and conditions of the waiver.

AUTHORITY: Secs. 11, 12, 13, 18, 52 Stat. 1067, 1069, as amended; 29 U.S.C. 212, 213, 218; Secretary of Labor's Order No. 16-75, 40 FR 55913; Employment Standards Order No. 2-75, 40 FR 56743.

§ 575.1 Purpose and scope.

(a) Section 13(c)(4) was added to the Fair Labor Standards Act of 1938, as amended, by the Fair Labor Standards Amendments of 1977. This section provides that:

(A) An employer or group of employers may apply to the Secretary for a waiver of the application of section 12 to the employment for not more than 8 weeks in any calendar year of individuals who are less than 12 years of age, but not less than 10 years of age, as hand harvest laborers in an agricultural operation which has been, and is customarily and generally recognized as being, paid on a piece rate basis in the region in which such individuals would be employed. The Secretary may not grant such a waiver unless he finds, based on objective data submitted by the applicant, that—

(i) The crop to be harvested is one with a particularly short harvesting season and the application of section 12 would cause severe economic disruption in the industry of the employer or group of employers applying for the waiver;

(ii) The employment of the individuals to whom the waiver would apply would not be deleterious to their health or well-being;

(iii) The level and type of pesticides and other chemicals used would not have an adverse effect on the health or well-being of the individuals to whom the waiver would apply;

(iv) Individuals age 12 and above are not available for such employment; and

(v) The industry of such employer or group of employers has traditionally and substantially employed individuals under 12 years of age without displacing substantial job opportunities for individuals over 16 years of age.

(B) Any waiver granted by the Secretary under subparagraph (A) shall require that—

(i) The individuals employed under such waiver be employed outside of school hours for the school district where they are living while so employed;

(ii) Such individuals while so employed commute daily from their permanent residence to the farm on which they are so employed; and

(iii) Such individuals be employed under such waiver (I) for not more than 8 weeks between June 1 and October 15 of any calendar year, and (II) in accordance with such other terms and conditions as the Secretary shall prescribe for such individuals' protection.

(b) The child labor provisions of the Fair Labor Standards Act, section 12, require the following age standards for employment in agriculture:

(1) 16 years of age in any occupation at any time;

(2) 14 and 15 years of age outside of school hours except in occupations found and declared by the Secretary to be particularly hazardous for the employment of minors under 16 years of age (subpart E-1, 29 CFR 570.70, et seq.);

(3) 12 and 13 years of age in nonhazardous occupations outside of school hours if:

(i) Such employment is with the written consent of a parent or person standing in the place of a parent of such minor, or

(ii) Such employment is on the same farm where such parent or person is also employed;

(4) Under 12 years of age in nonhazardous occupations outside of school hours if such employment is with the written consent of a parent or person standing in place of a parent of such minor, on a farm where, because of the provisions of section 13(a)(6)(A) of the Act, none of the employees are required to be paid at the wage rate prescribed by section 6(a)(5) of the Act;

(5) 10 and 11 years of age in nonhazardous occupations outside of school hours employed to hand-harvest short season crop or crops under a waiver issued pursuant to section 13(c)(4) of the Act and this part:

(6) Minors of any age may be employed by their parents or persons standing in place of their parents at any time in any occupation on a farm owned or operated by their parents or persons standing in place of their parents.

(c) This part provides the procedures to be used under section 13(c)(4) of the Act. This part describes the information and defines the supporting data that the employer or group of employers must submit when applying for a waiver of the child labor provisions for the employment of 10 and 11 year old minors as hand-harvest laborers in an agricultural operation. It further explains the specific requirements imposed by the statute for employment under a waiver and specifies the conditions prescribed by the Secretary for employment under a waiver.

§ 575.2 Definitions.

As used in this part—

"Act" means the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201, et seq.).

"Administrator" means the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, and includes an authorized representative designated by the Administrator to perform any of the functions of the Administrator under this part.

"Agriculture" means agriculture as defined in section 3(f) of the Act and as interpreted in part 780 of this chapter.

"Commute daily" means the minors shall travel by foot, car, or other vehicle designed for transporting passengers from their permanent residences to the field or farm where they will work and return thereto at the end of each workday.

"Department" means the U.S. Department of Labor.

"Employer" means employer as defined in section 3(d) of the Act.

"Group of employers" means a number of employers who seek to be considered together for the purpose of applying for a waiver under section 13(c)(4) of the Act.

"Hand-harvest laborers" means agricultural workers engaged solely in harvesting by hand soil grown crops such as but not limited to berries, potatoes, and beans, and as interpreted in § 780.312 of this chapter.

"Outside school hours" means such periods as determined by the school district of the minor's permanent residence. These periods include before or after school hours, holidays, summer vacation, Saturdays, Sundays, or any other days on which the school for the school district does not assemble.

"Permanent residence" means the place where the minor and the minor's parent or person standing in place of a parent reside year-round.

"Secretary" means the Secretary of Labor, United States Department of Labor, or an authorized representative of the Secretary.

"Waiver" means a letter signed by the Administrator advising the named employer or group of employers that 10 and 11 year old minors may be employed in the hand-harvesting of the specified short season crop or crops for the period designated, in accordance with the terms and conditions set forth in section 13(c)(4) of the Act and this part.

§ 575.3 Application for waiver.

(a) An application for a waiver shall be filed with the Administrator of the Wage and Hour Division, Employment Standards Administration, United States Department of Labor, Washington, D.C. 20210. To permit adequate time for processing, it is recommended that such applications be filed 6 weeks prior to the period the waiver is to be in effect.

(b) No particular form is prescribed. The application, which may be in letter form, shall be typewritten or clearly written and shall include the following information:

(1) The general information as described in section 575.4 of this part:

(i) Name and address of employer or group of employers;

(ii) Telephone number;

(iii) Location of farm(s);

(iv) Crop or crops to be hand harvested;

(v) Whether payment is customarily paid on a piece rate basis;

(vi) Requested period of waiver;

(vii) Statement that such employment shall be outside school hours;

(2) The objective data as required in section 575.5 of this part to show that:

(i) The crops have a short harvesting season;

(ii) Without 10 and 11 year olds the industry would suffer severe economic disruption;

(iii) Employment will not be deleterious to the health and well-being of 10 and 11 year olds;

(iv) The level of pesticides will not adversely affect 10 and 11 year olds;

(v) Individuals 12 years and over are not available for employment;

(vi) Employer or group of employers has traditionally used minors under 12 years and this will not displace employees 16 years or older.

(c) The application shall be signed and dated by the employer or group of employers requesting the waiver or by the authorized representative of such employer or group.

§ 575.4 Information to be included in application.

An application for a waiver pursuant to Section 13(c)(4) of the Act shall contain the following information:

(a) The name, address, and zip code of the employer, or each employer of a group of employers, and the authorized representative, if any, of an employer or group.

(b) The telephone number and area code for any employer or authorized representative from whom additional information concerning the application may be obtained.

(c) The address, location, and/or area (State, county, and/or other geographic designation), clearly identifying each employer's farm(s) or field(s) where 10 and 11 year old hand-harvest laborers are to be employed.

(d) The specific crop or crops to be hand-harvested at each designated farm or field.

(e) Substantiation of the claim that such agricultural operation "is customarily and generally recognized as being paid on a piece rate basis in the region in which such individuals would be employed." The Administrator will accept signed statements to that effect from agricultural employers and employees and others, such as agricultural extension agents, in the region of employment who are familiar with farming operations and practices in the region and with the method of compensation used in such operations and practices.

(f) Designated dates of not more than 8 weeks in any calendar year, between June 1 and October 15, during which it is anticipated that 10 and 11 year old minors will be employed in the hand-harvesting of the specified short season crop or crops.

(g) A statement that the 10- and 11-year old hand harvesters will be employed outside school hours.

§ 575.5 Supporting data to accompany application.

Objective data, as required by Section 13(c)(4) of the Act, shall also be submitted by the employer or group of employers applying for a waiver, to show that:

(a) The crop to be harvested is one with a "particularly short harvesting season." The variety of each crop to be harvested must ordinarily be harvested within 4 weeks in the region in which the waiver will be applicable. The Administrator will accept the written statement to that effect from the agricultural extension agent for the county.

(b) The 12-year minimum age prescribed by the Act for such employment would cause "severe economic disruption in the industry of the employer or group of employers applying for the waiver." Severe economic disruption in the industry refers to the consequences of not meeting a compelling need for the employment of 10- and 11-year olds to avoid loss of a significant portion of the crop. Evidence of this need includes the projected number of laborers needed to harvest the acreage planted and evidence that recruitment requirements specified in subsection (e) of this section have been complied with. Data concerning the number of hand harvest laborers used in previous years for given acreages will serve as a basis for evaluating needs for the current year. If the requisite number of workers cannot be recruited from the labor supply of 12 years and above, this would ordinarily demonstrate the compelling need for the employment of 10- and 11-year olds.

(c) The employment of minors under the waiver "would not be deleterious to their health or well-being." This refers to the prospective effect on the health or well-being generally (i.e., other than the tolerance level of pesticides or other chemicals) of 10 and 11-year old hand harvesters. The Administrator will accept signed statements to that effect from doctors, or nurses or public health officials in the region.

(d) The "level and type of pesticides and other chemicals used would not have an adverse effect on the health or well-being of minors employed under the waiver. The safe reentry standards established by the Environmental Protection Agency, and followed by other federal and state agencies, were established for adult workers and have not been shown to be safe for 10 and 11 year olds. Therefore, the applicant, in order to satisfy this condition, will either have to submit a statement that no pesticides or other chemicals were used on the crop to be harvested or submit data which upon study by the Secretary or the Secretary's designee establishes safe reentry times for 10 and 11 year

olds. If such data, or additional studies conducted by the Secretary or the Secretary's designee, establish safe reentry standards for 10 and 11 year olds, this section will be amended to include such standards and the applicant will then need only identify the type and level of pesticides or chemicals used and the date of last application of same prior to harvest.

(e) Individuals age 12 and above are not available for such employment. Evidence of such unavailability must be documented by the applicant by: (1) Placement of intrastate and interstate job orders, in which the piece rate is specified, with the state employment service sufficiently in advance of the harvest to allow reasonable time for the recruitment of local and migrant workers. An interstate order need not be placed if the applicant can demonstrate that suitable housing is not available. (2) Placement of at least two advertisements in local papers of general circulation or advertisements over local radio stations. (3) Contact with farm labor contractors, migrant workers, and other potential workers. (4) Contact with schools, business and labor organizations, nonprofit organizations and public agencies to enlist their help. Data showing the responses received to these solicitations must be categorized by age and submitted with the waiver application to verify that older workers are not available to perform the work.

(f) The "industry of such employer or groups of employers has traditionally and substantially employed individuals under twelve years of age without displacing substantial job opportunities for individuals over sixteen years of age." Documentation that the industry has traditionally and substantially employed individuals under 12 years of age may include newspaper reports, magazine articles, research organization reports, or other appropriate sources. Data to indicate that such employment did not displace substantial job opportunities for individuals over 16 years of age may include the signed statement of an appropriate official of the employment service agency of the State (or States, if region designated crosses State lines) certifying to that fact. This certification must be based on statistical documentation for at least the previous year.

(g) In those instances where supporting data are submitted for a group of employers, the objective data required by paragraphs (a), (c), (e), and (f) of this section may be submitted for the specific geographic area, e.g., an entire county, of the group of employers. However, the information required by paragraphs (b) and (d) of this section shall be submitted on the basis of each individual employer.

§ 575.6 Procedure for action on an application.

(a) Upon receipt of an application for a waiver, the Administrator shall review all of the information and supporting data. If sufficient, the Administrator shall grant a waiver; if insufficient, the Administrator may seek further information. If such information is not made available to the Administrator, the Administrator shall deny the waiver.

(b) The Administrator shall deny the application for a waiver from any employer against whom a final civil money penalty is outstanding under section 16(e) of the Act for violation of the child labor provisions of the Act.

(c) The waiver, in the form of a letter signed by the Administrator, shall set forth the terms and conditions for employment under the waiver as provided in §§ 575.7 and 575.8. The waiver shall be issued to the employer or group of employers applying for it.

(d) If a waiver is granted there will be published in the FEDERAL REGISTER a general notice to that effect setting forth for each waiver granted: the name of the employer or the name of each employer of a group of employers; the address of each such employer, including city, state, and zip code; and the dates of the period the waiver will be in effect.

(e) If a waiver is denied, the Administrator shall give written notice of such denial to the employer or group of employers applying for a waiver. Such denial will be without prejudice to the filing of any subsequent application.

§ 575.7 Statutory conditions for employment under the waiver.

Any waiver granted pursuant to Section 13(c)(4) of the Act and this part shall require that:

(a) Employment of 10 and 11 year old minors pursuant to the waiver be outside school hours.

(b) Individuals employed commute daily from their permanent residence to the farms(s) or field(s) where employed.

(c) Such individuals be employed for not more than 8 weeks between June 1 and October 15 of any calendar year. When schools are in session, any employment under a waiver shall be confined to outside of school hours.

§ 575.8 Secretary's conditions for employment under the waiver.

The Secretary prescribes the following terms and conditions for the protection of minors employed pursuant to a waiver granted under Section 13(c)(4) of the Act:

(a) An employer or group of employers granted such a waiver shall obtain and keep on file a signed statement of the parent or person standing in the

place of the parent of each 10 and 11-year old minor employed consenting to the employment of such minor under the waiver.

(b) Any employment pursuant to a waiver shall be in compliance with applicable Federal and State laws, and any regulations issued under them.

(c) No employer or group of employers shall employ any 10 or 11 year old minor pursuant to a waiver for more than 5 hours in any one day or for more than 30 hours in any workweek with a meal break of at least 30 minutes and two rest breaks of at least 15 minutes each.

(d) An employer or group of employers granted such a waiver shall provide immediately adjacent to the field(s) to be hand harvested: (1) Adequate sanitary facilities, such as portable toilets; (2) adequate and clean drinking water in covered containers with spouts, and an adequate supply of paper or plastic cups for individual drinking use; and (3) a specified adult employee, who is appropriately equipped and is knowledgeable about first-aid treatment and readily available to give such treatment when needed.

(e) An employer or group of employers granted such a waiver shall provide emergency transportation either to the minor's permanent residence or to the nearest hospital for any 10 or 11 year old hand harvester who becomes ill or is injured during the normal hours of employment.

(f) No 10 or 11-year old employed under a waiver shall ride upon or be employed in the operation of or in the close proximity to any power driven machinery or equipment. Generally, a distance of fifty feet or more will be construed to meet the requirement that employment not be in "close proximity" to machinery or equipment.

(g) An employer or group of employers granted such a waiver who owns, operates, or causes to be operated any vehicle for the transportation of such minors shall be responsible for assuring that:

(1) Every such vehicle is in compliance with all applicable Federal and State safety and health standards and with the rules and regulations issued by the Bureau of Motor Carrier Safety, Federal Highway Administration of the U.S. Department of Transportation;

(2) Every such vehicle be designed for transporting passengers and be operated by a lawfully licensed driver; and

(3) A vehicle liability insurance policy provides insurance in an amount not less than the amounts applicable to vehicles used in the transportation of passengers under the Interstate Commerce Act and its regulations. These amounts currently are as follows:

Insurance required for passenger equipment

	12 or less passengers	More than 12 passengers
Limit for bodily injuries to or death of 1 person	\$100,000	\$100,000
Limit for bodily injuries to or death of all persons injured or killed in any 1 accident (subject to a maximum of \$100,000 for bodily injuries to or death of 1 person)	300,000	500,000
Limit for loss or damage in any 1 accident to property of others (excluding cargo) ..	50,000	50,000

(h) A copy of the waiver shall be posted or readily available at the site or sites of such employment of such minors during the entire period.

(i) The employer or group of employers shall maintain and preserve a record of the name, address, and occupation of each minor employed under the waiver in accordance with § 516.33(b) of this chapter. In addition, the record shall also include the date of birth, the name and address of the school in which the minor is enrolled, and the number of hours worked each day and each week of the designated period. Each employer required to maintain records under this part shall preserve them for a period of at least 2 years.

(j) A waiver shall be effect for the period designated therein with no provision for amendment.

§ 575.9 Failure to comply with the terms and conditions of the waiver.

If the employer or group of employers granted a waiver pursuant to Section 13(c)(4) of the Act and this part do not comply with the terms and conditions set forth in the waiver and this part, the waiver shall be null and void and the employer or group of employers will be subject to civil money penalties under Section 16(e) of the Act.

Signed at Washington, D.C. on this 19th day of June, 1978.

XAVIER M. VELA,
Administrator,
Wage and Hour Division.

[FR Doc. 78-17239 Filed 6-20-78; 8:45 am]

[3810-01]

Title 32—National Defense

CHAPTER XVIII—DEFENSE CIVIL PREPAREDNESS AGENCY, DEPARTMENT OF DEFENSE

PART 1806—OFFICIAL CIVIL DEFENSE INSIGNE

Final Rule

AGENCY: Defense Civil Preparedness Agency.

ACTION: Final rule.

SUMMARY: This revision of the regulation, which governs use of the official civil defense insignia, updates the regulation by deleting obsolete provisions and more accurately reflecting the existing use of the insignia by State and local civil defense agencies.

EFFECTIVE DATE: June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

Walter Girstantas, Assistant Director for Administrative Services, Defense Civil Preparedness Agency, Room 1D487, Pentagon, Washington, D.C. 20301, 202-695-3402.

SUPPLEMENTARY INFORMATION: The FEDERAL REGISTER for Thursday, March 16, 1978 contained a proposed revision to the Defense Civil Preparedness Agency Regulation, 32 CFR Part 1806, on the Official Civil Defense Insignia 43 FR 10940. Comment on the revision was invited by April 17, 1978, but this was extended to May 17, 1978. In addition, DCPA mailed copies to all State and local civil defense agencies. Six States and 35 local agencies, and one State association of local agencies submitted comments. For the most part, such a submission either specifically endorsed the revision to the regulation, or submitted editorial or technical comments which implied no opposition.

However, two States and five political subdivisions submitted comments to the effect that the term "civil defense" and the insignia letters CD had outlived their usefulness and should be discontinued. It was believed that new developments in the area of emergency civil preparedness indicated some alternative insignia might be in order. This appears to be a minority view.

Some of the comments seemed to indicate a view that the regulation preempted the field and requires uniformity in insignia or seals. This is not the case. However, it is desirable to make it quite clear that a civil defense agency may use an insignia, even one which is a colorable imitation of the official insignia, if it believes such reflects more correctly its scopes of activities. Therefore, the purpose clause, § 1806.1, has been revised to contain a disavowal of any attempt to establish an exclusive insignia. Furthermore, DCPA has taken, and where needed will take, steps to remove any requirement that this specific insignia be marked on equipment or facilities acquired with Federal financial assistance.

There was one suggestion that the international sign be adopted as a new uniform U.S. sign. This is quite premature and the provision distinguishing this sign and the international sign is retained.

A few technical comments were submitted on placing of the names of services or States or political subdivisions on or around the insignie. These varied, and rather than try to reconcile views, it was thought best to grant wide latitude to State or local agencies. The specifics previously in § 1806.3(c) have been removed entirely. The "services" include police, fire and the like.

Editorial changes were made in §§ 1806.6 and 1806.8.

As the revision is editorial in nature, incorporates no new provisions, and has been circulated to all interested agencies, it is desirable to make same effective immediately on June 21, 1978.

Accordingly, Part 1806, Title 32, Code of Federal Regulations is revised to read:

Sec.

- 1806.1 Purpose.
- 1806.2 Definitions.
- 1806.3 Prescribed insignie.
- 1806.4 Official articles.
- 1806.5 Manufacture, reproduction and display of the prescribed insignie.
- 1806.6 Distribution, issuance, and retail sale of the prescribed insignie.
- 1806.7 Prohibited use of the prescribed insignie.
- 1806.8 Violations.

AUTHORITY. Sec. 204 and 401, Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2284 and 2253); Reorganization Plan No. 1 of 1958, 72 Stat. 1799; Executive Order 10952, 26 FR 6577; DOD Directive 5105.43; 37 FR 18636.

§ 1806.1 Purpose.

(a) The purpose of the regulations in this part is to prescribe an insignie which may be used by any State or local civil defense organization and by persons engaged in civil defense activities approved by such organizations and to establish requirements for the reproduction, manufacture, display, sale, possession, and wearing thereof.

(b) This does not mean that a State or local civil defense, civil preparedness, or emergency services organization may not, under its own authority, establish and use its own insignie, seal, or similar device. There is no attempt to preempt the field.

§ 1806.2 Definitions.

Except as otherwise stated, the following terms shall have the following meanings when used in the regulations in this part:

(a) "Director, DCPA" means the Director, Defense Civil Preparedness Agency.

(b) "Civil Defense Agency" means a unit of a State or of a political subdivision established pursuant to law and responsible for the development of those activities and measures which are authorized for civil defense organizations either under Federal or State or local law.

(c) "Civil Defense Director" means the person or body having authority over a civil defense agency and any duly authorized designee of such person or body. Such term may refer either to a State Director or to the civil defense director of a political subdivision.

(d) "Official articles" means articles designated as such by the Director, DCPA and embodying the prescribed insignie.

(e) "Organizational equipment" means equipment (other than personal equipment) which the Director, DCPA determines is necessary to a civil defense organization for civil defense purposes and which is of such a nature as to require the contribution of Federal funds, but not including items of equipment which the local community normally utilizes in combating local disasters except when required in unusual quantities dictated by the requirements of civil defense plans.

(f) "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

§ 1806.3 Prescribed insignie.

(a) The prescribed insignie shall be the design covered under Letters Patent 129797, October 7, 1941, consisting of the "CD" symbol in bright red, centered within a white equilateral triangle superimposed upon a dark blue circle.

(b) The prescribed insignie may be reproduced in the above colors, in black and white, or in the color of the surface upon which reproduced and one other color: *Provided*, That if the color of the surface or the ground is orange, the triangle shall not be blue. The intent of this restriction is that this insignie shall not be confused with the international civil defense sign established in the Protocol Additional to the Geneva Conventions of 12 August 1949, and Relating to the Protection of Victims of International Armed Conflicts (Protocol I) and Annexes.

(c) Where appropriate, the name of a particular civil defense service, the State, or a political subdivision, may be spelled out in block letters on, in, or immediately surrounding the prescribed insignie.

(d) The dimensions of the components of the prescribed insignie when the blue circle is three inches in diameter will approximate the following: The triangle will be equilateral two and one-quarter inches on a side, each of the letters in the "CD" symbol will be three-sixteenth inches in thickness and will occupy a circle one and one-eighth inches in diameter centered in the triangle. Other sizes of the prescribed insignie will be established by diameter of the blue circle only; to the extent that the diameter of the blue

circle is greater or less than three inches, the dimensions of the other components shall be proportionately increased or decreased.

(e) The following alteration or modification of the prescribed insignie is authorized pursuant to § 1806.5(d):

Radio Amateur Civil Emergency Service. Superimposed on the official civil defense insignie a white jagged arrow edged in blue resembling a flash of lightning, symbolic of space radiation, containing the inscription "Radio" in blue letters, and extending from the upper right circumference of the blue circle and through the lower left-hand angle of the triangle. Below the triangle and within the blue circle is the inscription "RACES" in white letters.

§ 1806.4 Official articles.

(a) Official articles shall consist of the following articles embodying the insignie:

- (1) Arm bands.
- (2) Badges.
- (3) Hat bands.
- (4) Helmets.
- (5) Pennants, placards, plates, or stickers for aircraft, vehicles, or vessels.
- (6) Membership cards.

(b) No person shall possess, display, wear, or use an official article unless such person is authorized to do so by the Director, DCPA or by a Civil Defense Director: *Provided*, That this prohibition shall not apply to the possession or display of official articles by a manufacturer, wholesaler, or retailer in the normal course of business, or to display of pennants, placards, plates, or stickers on aircraft, vehicles, or vessels designated for operational use by a Civil Defense Director.

§ 1806.5 Manufacture, reproduction and display of the prescribed insignie.

(a) Any individual, association or business entity may manufacture the prescribed insignie and official articles in compliance with these regulations.

(b) The prescribed insignie may be manufactured, reproduced, and displayed only:

- (1) On official articles.
- (2) On organizational equipment.
- (3) On items of identification issued by a Civil Defense Director to permit necessary movement of persons, vehicles and equipment during a period of emergency operations.
- (4) On facilities and equipment designated for emergency operational use by a Civil Defense Director and on devices used for alerting the public in time of emergency.
- (5) On official letterheads, publications, posters, signs, advertisements, lapel pins, pennants, placards, flags, banners, certificates of membership and certificates of award used, issued, or authorized by a Civil Defense Agency or Civil Defense Director.
- (6) In connection with articles or advertisements in newspapers, maga-

zines, or other publications, or in connection with television or other public information media: *Provided*, Such use is not intended to discredit the Defense Civil Preparedness Agency or a Civil Defense Agency, or to mislead, confuse, misrepresent, defraud, or does not erroneously confer the impression of endorsement, approval, or relationship to the Defense Civil Preparedness Agency or a Civil Defense Agency.

(7) On the merit badge for "Emergency Preparedness" designed for and as authorized and awarded by the Boy Scouts of America, together with the reproduction of such merit badge on any publication or certificate of award to be used or issued by said organization in connection therewith.

(8) On such other items, whether official articles or not, as may be designated or approved by the Director, DCPA in writing.

(c) Without limitation of the foregoing, the reproduction of the prescribed insignia in connection with any publication or article used for political purposes is prohibited.

(d) No alteration or modification of the prescribed insignia may be made except as the Director may from time to time authorize.

§ 1806.6 Distribution, issuance, and retail sale of the prescribed insignia.

No distribution, issuance, or retail sale of the prescribed insignia or official articles shall be made except upon the authorization of a Civil Defense Director; the Director, DCPA; or in accordance with the regulations in this Chapter.

§ 1806.7 Prohibited use of the prescribed insignia.

No person shall possess or wear the prescribed insignia or any other device in colorable imitation thereof with intent to deceive or mislead or for the purpose of inducing the false impression that such person is engaged in the performance of an authorized civil defense service or activity.

§ 1806.8 Violations.

The manufacture, possession, or wearing by any person of the prescribed insignia or any device in colorable imitation thereof otherwise than in accordance with these regulations shall be unlawful and shall subject such person to a fine of not more than \$1,000 or imprisonment of not more than one year, or both.

Dated: June 9, 1978.

BARDYL R. TIRANA,
Director, Defense Civil
Preparedness Agency.

[FR Doc. 78-17111 Filed 6-20-78; 8:45 am]

[3710-92]

Title 33—Navigation and Navigable Waters

CHAPTER II—CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY

PART 207—NAVIGATION REGULATIONS

Fox River, Wisconsin

AGENCY: U.S. Army Corps of Engineers, DOD.

ACTION: Final rule.

SUMMARY: This rule amends regulations which govern the use, administration and navigation of the locks and canals on the Fox River, Wisconsin. The regulations are amended with respect to operating hours to make all times of operation consistent throughout the system and to make certain editorial changes.

EFFECTIVE DATE: June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

Mr. Ralph T. Eppard at 202-693-5070 or write: Office of the Chief Of Engineers, ATTN: DAEN-CWO-N, Washington, D.C. 20314.

SUPPLEMENTARY INFORMATION: The proposed revision was published in the FEDERAL REGISTER (43 FR 14652) with the comment period expiring on 15 May 1978. We received no comments and accordingly, pursuant to the provisions of section 7 of the River and Harbor Act approved 8 August

1917 (40 Stat. 266; 33 U.S.C. 1) we are hereby amending the regulations in 33 CFR 207.460 as set forth below:

Dated: June 5, 1978.

MICHAEL BLUMENFELD,
Deputy Under Secretary of
the Army.

Section 207.460 is amended by revising paragraphs (a)(2), (a)(6)(iv) and (a)(15) as set forth below.

§ 207.460 Fox River, Wisc.

(a) * * *

(2) *Authority of Lockmaster.* The movement of all boats, vessels, tows, rafts, and floating things, both powered and nonpowered, in the canals and locks, approaches to the canals, and at or near the dams, shall be subject to the direction of the Lock Master or his duly authorized representatives in charge at the lock.

* * *

(6) Provisions for lockage service.

* * *

(iv) All craft will be given lockage at DePere and Menasha Locks between 8 a.m. and 12 midnight daily during the recreational boating season as established by the District Engineer. At all intermediate locks above DePere and below Menasha, lockages without prior notice will be provided between the hours of 10 a.m. and 6 p.m. daily. In addition lockages will be provided during certain other hours at the intermediate locks provided prior requests are made to the Corps of Engineers, Fox River Project Office.

NORMAL AND ADDITIONAL LOCKAGE TIMES

Lock location	Normal lockage times without prior request	Additional lockage times with prior request (note 1)	Notes
Menasha	8 a.m. to 12 midnight	None	None.
Appleton	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	2, 3, and 4.
Cedars	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	Do.
Little Chute	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	Do.
Combined	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	Do.
Kaukauna	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	Do.
Rapide Croche	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	Do.
Little Kaukauna	10 a.m. to 6 p.m.	8 to 10 a.m., 6 p.m. to 12 midnight	2, 3, 4, 5, and 6.
DePere	8 a.m. to 12 midnight	None	None.

NOTE 1. a. Requests may be made either in writing, by telephone or in person to the U.S. Army, Corps of Engineers, Fox River Project Office, 1008 Augustine Street, Kaukauna, Wisc. 54130, telephone: 414-766-3531.

b. Regular business hours of the Fox River Project Office are from 7:30 a.m. to 4 p.m., Monday through Friday.

* * *

f. If, for any reason, a requested lockage will not be made or must be delayed unreasonably, prompt notice must be given to the Fox River Project Office, or, if after office hours (See "b" and "c" above), to the Lockmaster at either Menasha or DePere Locks.

NOTE 2. For lockages between 8 a.m. and 10 a.m. at all the intermediate locks:

a. Request for lockages during these hours must be received in the Fox River Project

Office no later than 1 p.m. on the day before lockage is required.

* * *

NOTE. 3. For lockages between 6 p.m. and 12 midnight at all intermediate locks:

a. Requests for lockages during this period must be received in the Fox River Project Office no later than 1 p.m. on the day lockage is required.

* * *

NOTE 6. For lockages between 6 p.m. and 11 p.m. at Little Kaukauna Lock:

Lockages will be granted north and south-bound at Little Kaukauna Lock without prior request from 6 p.m. to 11 p.m. on Friday, Saturday, Sunday, and holidays from the weekend before Memorial Day through the weekend after Labor Day.

* * *

(15) *Commercial statistics.* (i) As required by section 11 of the River and Harbor Act of September 22, 1922 (42 Stat. 1043; 33 U.S.C. 555), owners, agents, masters, or clerks of vessels plying the waterway shall submit a report on such activities for statistical purposes which shall contain the following information:

Name of vessel.
Name and address of owner or operator.
Type of vessel—steam, motor, sail, barge, or other type.
Number of passengers.
Net registered tonnage—if not registered, approximate net tonnage.
Maximum draft at time of passage.
Cargo—by commodities, expressed in tons, or other units by which such commodities are customarily measured, giving origin and destination.

(ii) The report shall be mailed promptly to the District Engineer, Chicago District, Corps of Engineers, Attn: Construction-Operations Division-Statistics, 219 South Dearborn Street, Chicago, Ill. 60604 on forms furnished free of charge by that office. On written request, persons or corporations making frequent use of the waterway may be granted permission to submit monthly statements in lieu of reports by trips.

* * *

AUTHORITY: (40 Stat. 266; 33 USC 1)

NOTE.—The Department of the Army has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

[FR Doc. 78-17110 Filed 6-20-78; 8:45 am]

[8320-01]

Title 38—Pensions, Bonuses and Veterans' Relief

CHAPTER I—VETERANS ADMINISTRATION

PART I—GENERAL PROVISIONS

National Cemeteries

AGENCY: Veterans Administration.

ACTION: Final Regulations.

SUMMARY: The Veterans Administration issues regulations to the operation of the Department of Memorial Affairs (National Cemetery System). The purpose is to inform the public of the eligibility criteria for headstones and markers, interments and burial of remarried spouses and other matters related to national cemeteries and the headstone and marker program.

EFFECTIVE DATE: June 14, 1978.

FOR FURTHER INFORMATION CONTACT:

Mr. Earl W. Zieg, Veterans Administration, Department of Memorial Affairs (40D), 810 Vermont Avenue, NW., Washington, DC 20420, 202-389-5235.

SUPPLEMENTAL INFORMATION: On page 1628 of the FEDERAL REGISTER of January 11, 1978, there was published a notice of proposed regulatory development to revise § 1.600 and to add §§ 1.601 through 1.632 relating to the operation of the Department of Memorial Affairs (National Cemetery System).

Interested persons were given 30 days in which to submit comments, suggestions, or objections regarding the proposed regulations. One comment was received. No changes to the regulations are required as a result of the comment.

Since these regulations were published for comment, the Director, National Cemetery System has also been designated as the Chief Memorial Affairs Director due to a reorganization of the Veterans Administration.

The proposed regulations are adopted with change in organizational title and are set forth below.

Approved: June 14, 1978.

By direction of the Administrator.

RUFUS H. WILSON,
Deputy Administrator.

Section 1.600 is revised and §§ 1.601, 1.602, 1.603, 1.604, 1.620, 1.621, 1.630, 1.631, and 1.632 are added so that the added and revised material reads as follows:

Sec.

1.600 The National Cemetery System.

Sec.

1.601 Advisory Committee on Cemeteries and Memorials.

1.602 Names for national cemetery activities.

1.603 Gifts and donations.

1.604 Law enforcement and standards of conduct.

1.605-1.619 [Reserved]

1.620 Eligibility for burial.

1.621 Disinterments from national cemeteries.

1.622-1.629 [Reserved]

1.630 Headstones and markers.

1.631 Eligibility for headstone or marker.

1.632 Headstone and marker application required.

AUTHORITY.—§§ 1.600 to 1.632 issued under 72 Stat. 1114, as amended, 87 Stat. 75; 38 U.S.C. 210, Chapter 24.

§ 1.600 The National Cemetery System.

The National Cemetery System authorized by 38 U.S.C. Chapter 24 (the National Cemeteries Act of 1973) consists of all cemeteries under the jurisdiction of the Veterans Administration on June 18, 1973, and the national cemeteries, soldiers' lots, confederate plots, cemeteries and monuments, and a national monument site and the Government-owned lots in the Congressional Cemetery, Washington, D.C., which were transferred on September 1, 1973, from the Department of the Army to the Veterans Administration, and any additional cemeteries designated by the Administrator. The Chief Memorial Affairs Director serves concurrently as the Director, National Cemetery System.

§ 1.601 Advisory Committee on Cemeteries and Memorials.

Responsibilities in connection with Committee authorized by 38 U.S.C. Chapter 24 are as follows:

(a) The Administrator shall appoint the Committee members and consult with the Committee with respect to the administration of the cemeteries, selection of cemetery sites, the erection of appropriate memorials and the adequacy of Federal burial benefits.

(b) The Chief Memorial Affairs Director will schedule the frequency of meetings, make presentations before the Committee, participate when requested by the Committee, evaluate Committee reports and recommendations and make recommendations to the Administrator based on Committee actions.

(c) The Committee will evaluate and study cemeterial, memorial and burial benefits proposals or problems submitted by the Administrator or Chief Memorial Affairs Director, and make recommendations as to course of action or solution. Reports and recommendations will be submitted to the Administrator for transmission to Congress.

§ 1.602 Names for national cemetery activities.

(a) *Responsibility.* The Administrator is responsible for naming national

cemeteries. The Chief Memorial Affairs Director is responsible for naming activities and features therein, such as drives, walks, or special structures.

(b) *Basis for names.* The names of national cemetery activities may be based on physical and area characteristics, the nearest important city (town), or a historical characteristic related to the area. Newly constructed interior thoroughfares for vehicular traffic in national cemetery activities will be known as "drives." To facilitate location of graves by visitors, drives will be named after cities, counties or States or after historically notable persons, places or events.

§ 1.603 Gifts and donations.

(a) *Policy.* The administrator may prescribe restrictions and accept gifts, devise or bequests from legitimate societies and organizations or reputable individuals, made in any manner, which are made for the purpose of beautifying national cemeteries, or are determined to be beneficial to such cemetery. The Administrator may make land available for this purpose, and may furnish such care and maintenance as deemed necessary. Gifts of a minor nature such as trees for placement in the burial area and privately purchased grave markers may be accepted by the Chief Memorial Affairs Director.

(b) *Processing.* All offers of gifts for national cemetery activities will be referred to the Chief Memorial Affairs Director, Veterans Administration, Washington, D.C. 20420. No commitment will be made to the donor regarding acceptance until the required approval has been obtained.

(c) *Restrictions.* (1) Gifts and donations will be accepted only after it has been determined that the donor has a clear understanding that title thereto passes to, and is vested in, the United States, and that the donor relinquishes all control over the future use or disposition of the gift or donation, with the following exceptions:

(i) Carillons will be accepted with the condition that the donor will provide the maintenance and the operator or the mechanical means of operation. The time of operation and the maintenance will be coordinated with the superintendent of the national cemetery.

(ii) Articles donated for a specific purpose and which are usable only for that purpose may be returned to the donor if the purpose for which the articles were donated cannot be accomplished.

(iii) If the donor directs that the gift is donated for a particular use, those directions will be carried out insofar as they are proper and practicable and not in violation of Veterans Administration policy.

(iv) When considered appropriate and not in conflict with the purpose of the national cemetery, the donor may be recognized by a suitable inscription on those gifts. In no case will the inscription give the impression that the gift is owned by, or that its future use is controlled by, the donor. Any tablet or plaque, containing an inscription will be of such size and design as will harmonize with the general nature and design of the gift.

(2) Officials and employees of the Veterans Administration will not solicit contributions from the public nor will they authorize the use of their names, the name of the Administrator, or the name of the Veterans Administration by an individual or organization in any campaign or drive for money or articles for the purpose of making a donation to the Veterans Administration. This restriction does not preclude discussion with the individual offering the gift relative to the appropriateness of the gift offered.

§ 1.604 Law enforcement and standards of conduct.

The superintendent is charged with the responsibility for the enforcement of rules and regulations governing conduct on national cemetery property. These rules and regulations, which are recorded in §§ 1.218 through 1.220, will be posted in a conspicuous place on cemetery property.

§ 1.605—1.619 [Reserved]

1.620 Eligibility for burial.

The following rules for eligibility for interment in national cemeteries apply to all former Veterans Administration cemeteries as of June 18, 1973. These rules of eligibility for interment also apply to all cemeteries transferred on September 1, 1973, from the Department of the Army to the Veterans Administration, and to any other cemetery later acquired or developed by the Veterans Administration. Burial is authorized in national cemeteries of the remains of the following:

(a) Any person who served on active duty in the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) who was discharged or released therefrom under conditions other than dishonorable. The determination of the character of discharge is subject to adjudication under § 3.12 of this chapter.

(b) Any member of the Armed Forces of the United States who died while on active duty.

(c) Any member of the Reserve components of the Armed Forces, the Army National Guard or the Air National Guard, whose death occurs under honorable conditions while hospitalized or undergoing treatment, at

the expense of the United States, for injury or disease contracted on incurred under honorable conditions while performing active duty for training, inactive duty training, or undergoing that hospitalization or treatment at the expense of the United States.

(d) Any member of the Reserve Officers' Training Corps of the Army, Navy, or Air Force whose death occurs under honorable conditions while

(1) Attending an authorized training camp or on an authorized practice cruise.

(2) Performing authorized travel to or from that camp or cruise, or

(3) Hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while

(i) Attending that camp or on that cruise,

(ii) Performing that travel, or

(iii) Undergoing that hospitalization or treatment at the expense of the United States.

(e) Any citizen of the United States who, during any war in which the United States is or has been engaged, served in the Armed Forces of any Government allied with the United States during that war, whose last such service terminated honorably, who was a citizen of the United States at the time of entry on such service and at the time of death.

(f) The spouse of any person listed in paragraphs (a) through (e) of this section or any interred veteran's unmarried surviving spouse. A surviving spouse of a veteran who has remarried and whose remarriage is void, terminated by death or dissolved by annulment or divorce by a court with basic authority to render such decrees retains eligibility for burial in a national cemetery unless it is determined that the decree of annulment or divorce was secured through fraud or collusion.

(g) A veteran's minor child (under 21 years of age or under 23 years of age if pursuing a course of instruction at an approved educational institution), or unmarried adult child who was physically or mentally disabled and incapable of self-support, in the same grave with the veteran or in an adjoining gravesite if prior reservation for that grave was in effect.

(h) Such other persons or classes of persons as may be designated by the Administrator.

§ 1.621 Disinterments from national cemeteries.

(a) Interments of eligible decedents in national cemetery activities are considered permanent and final. Disinterments will be permitted only for cogent reasons and then only with the

prior written authorization of the Chief Memorial Affairs Director. Disinterments and removal of remains from a national cemetery activity will be approved only when all living close relatives of the decedent give their written consent or in recognition of a court order directing the disinterment.

(b) All requests for authority to disinter remains will be submitted on VA Forms 40-4970 and 40-4970a, Request for Disinterment, and Disinterment Affidavit, and will include the following information:

(1) A full statement of reasons for the proposed disinterment.

(2) Notarized statements by all close living relatives of the decedent that they consent to the proposed disinterment. "Close relatives" are defined as surviving spouse, parents, adult brothers and sisters, and adult children of the decedent. Copies of VA Forms 40-4970 and 40-4970a will be furnished by the Department of Memorial Affairs.

(3) A sworn statement, by a person having knowledge thereof, that those who supplied affidavits comprise all the living close relatives of the deceased.

(c) In lieu of the documents required in paragraph (b) of this section, an order of a court of competent jurisdiction will be considered. The Veterans Administration or officials of the cemetery should not be made a party to the court action since this is a matter among the family members involved.

(d) Disinterment of the remains of the dependent of a veteran which were interred in a national cemetery, based on completion of an agreement by the veteran to be buried in the same or adjoining grave, may be authorized by the Chief Memorial Affairs Director upon receipt of a written request on VA Form 40-4983, Request for Disinterment (Dependent), from the veteran.

(e) Any disinterment that may be authorized under this section must be accomplished without expense to the Government.

§§ 1.622-1.629 [Reserved]

§ 1.630 Headstones and markers.

(a) Types of Government headstones and markers and inscriptions will be in accordance with policies approved by the Administrator.

(b) Inscriptions on Government headstones, markers, and private monuments will be in accordance with policies and specifications of the Chief Memorial Affairs Director. The National Cemetery section designation and grave number will be inscribed on the reverse side, near the top of the upright headstone. The section designation and grave number on flat granite markers will be inscribed on the front (face) of the stone in the upper right corner.

(c) All memorial markers furnished by the Government may be erected in private cemeteries or in national cemetery sections established for this purpose. The markers for national cemeteries will be of the standard design authorized for the cemetery in which they are to be erected. In addition to the authorized inscription, the words "In Memory Of" are mandatory.

§ 1.631 Eligibility for headstone or marker.

(a) An approved type of headstone or marker will be furnished at Government expense, upon request, for the unmarked graves of the following:

(1) Any individual buried in a national cemetery or in a post cemetery.

(2) Any individual eligible for burial in a national cemetery (but not buried there) under the provisions of § 1.620, except for those persons or classes of persons enumerated in § 1.620 (e), (f), (g) and (h).

(b) An approved type of memorial headstone or marker will be furnished at Government expense, upon request, to commemorate any veteran dying in service, and whose remains have not been recovered or identified or were buried at sea. Memorial headstones or markers may be placed in national cemeteries in areas reserved for such purposes or in any private or local cemetery.

§ 1.632 Headstone and marker application required.

(a) Headstones and markers for graves in national cemeteries shall be ordered from the Record of Interment (VA Form 40-4956) prepared by the national cemetery superintendent at the time of interment. No further application is required.

(b) Submission of VA Form 40-1330, Application for Headstone or Marker, is required for the purpose of:

(1) Ordering a Government headstone or marker for any unmarked grave of any eligible veteran buried in a private or local cemetery.

(2) Ordering a Government headstone or marker for any unmarked grave in a post cemetery of the Armed Forces.

(3) Ordering a Government memorial headstone or marker for placement in a national cemetery, in a private or local cemetery and any post cemetery of the Armed Forces.

[FR Doc. 78-17097 Filed 6-20-78; 8:45 am]

[6560-01]

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER C—AIR PROGRAMS

[FRL 898-4]

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

Massachusetts Revision

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: EPA is approving three Implementation Plan revisions which extend the effective periods of Regulation 5.1, "Sulfur Content of Fuels and Control Thereof," for the Merrimack Valley Air Pollution Control District (APCD), the Pioneer Valley APCD, and the Central Massachusetts APCD. The regulations, which relax the sulfur limitations for fossil fuels burned by certain sources, will now expire on July 1, 1979.

EFFECTIVE DATE: June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

David Stonefield, Air Branch, EPA Region I, Room 2113, JFK Federal Building, Boston, Massachusetts 02203. 617-223-5609.

SUPPLEMENTARY INFORMATION: In the March 3, 1978 FEDERAL REGISTER (43 FR 8810), the Regional Administrator proposed approval of revisions to the Massachusetts State Implementation Plan (SIP) to extend the expiration dates of Regulation 5.1, Sulfur Content of Fuels and Control Thereof, for the Central Massachusetts Air Pollution Control District (APCD), the Pioneer Valley APCD, and the Merrimack Valley APCD until July 1, 1979. The federal Air Quality Control Regions (AQCR's) corresponding to the APCD's are, respectively, the Central Massachusetts Intrastate AQCR, the Massachusetts portion of the Hartford-New Haven-Springfield Interstate AQCR, and the Massachusetts portion of the Merrimack Valley-Southern New Hampshire Interstate AQCR.

Regulation 5.1 for the Central Massachusetts APCD, which permits certain large fossil fuel utilization facilities to burn fossil fuel with a higher sulfur content than required by the original SIP, presently expires on July 1, 1978. The specific provisions of this regulation are described in the March 3, 1978 proposal and in FEDERAL REGISTER notices published on November 17, 1976 (41 FR 50700), February 15, 1977 (42 FR 9176), March 9, 1977 (42 FR 13128), and May 19, 1977 (42 FR 25730).

Regulation 5.1 for the Pioneer Valley APCD, with similar provisions

for certain large sources, presently expires on June 1, 1978. The regulation is described in the March 3, 1978 proposal and in FEDERAL REGISTER notices published on November 5, 1976 (41 FR 48752) and February 1, 1977 (42 FR 5975).

Regulation 5.1 for the Merrimack Valley APCD, which permits all sources except those in Lawrence, Andover, Methuen, and North Andover to burn a higher sulfur content fuel than required by the original SIP, contains an expiration date of May 1, 1978. The specific provisions of the regulation are described in the March 3, 1978 proposal and in FEDERAL REGISTER notices published on September 20, 1976 (41 FR 40502), December 30, 1976 (41 FR 56804), April 13, 1977 (42 FR 19359), and July 12, 1977 (42 FR 35833).

When EPA first approved SIP revisions to temporarily relax the sulfur in fuel limitations, certain sources were excluded from implementing the provisions of the revisions, on the basis of dispersion modeling studies which predicted violations of the National Ambient Air Quality Standards (NAAQS) for sulfur dioxide (SO₂) if any of these sources were to burn the higher sulfur content fuel. These disapprovals would remain in effect during the periods of the extensions.

One of the sources which was originally disapproved, Deerfield Specialty Papers, Inc. (Deerfield), Monroe Bridge, submitted ambient monitoring data collected as part of a special study to validate the predictive model used in hilly areas. Since the observed SO₂ levels were well below NAAQS, the Regional Administrator proposed in the March 3, 1978 FEDERAL REGISTER notice that Deerfield be approved to burn the higher sulfur content fuel.

During the public comment period, five letters of comment were received.

Four commenters, all of whom are located in the Pioneer Valley APCD, supported the proposed extensions, citing the absence of TSP and SO₂ standards violations at their monitoring sites after they started burning higher sulfur content fuel, and the favorable economics of burning a less costly fuel.

In addition, Northeast Utilities stated that the special study ambient monitoring data collected to determine the impact of the Mount Tom Generating Station in Holyoke show that the plant could burn higher sulfur content fuel without causing NAAQS violations. However, EPA cannot take further action until the Massachusetts Department submits a SIP revision accompanied by an evaluation of the ambient monitoring data.

The Connecticut Department of Environmental Protection (the Connecticut DEP) was the only commenter disagreeing with EPA's proposed approv-

al. The Connecticut DEP feels that evaluation of the SIP revision should not be limited to an evaluation of SO₂ impacts, but should also consider additional particulate loadings in the form of (1) higher particulate emissions as a result of the higher ash content in higher sulfur fuels, (2) increases in primary sulfate emissions, and (3) increased sulfate aerosol formation as a result of increased SO₂ emissions.

While these SIP revisions in themselves do not increase the regulatory limits for particulate emissions, use of fuel oil with a sulfur content of 2.2 percent may result in higher particulate emissions than would use of 1 percent sulfur content fuel oil. Also, as pointed out by the Connecticut DEP, secondary aerosol formation, increasing atmospheric particulate loadings, may occur.

As stated in the FEDERAL REGISTER notice of proposed rulemaking, particulate emissions from the sources converting to higher sulfur fuel must remain within the regulatory limits set by the present federally-approved SIP. This determination will be made by emission testing, which is required as a condition of the permits issued by the Massachusetts Department. If a source is found to have emissions in excess of the particulate emission limitation, it will not be permitted to continue burning higher sulfur fuel.

To meet the requirements of the Clean Air Act Amendments of 1977, the Massachusetts Department is developing attainment plans for those areas not meeting TSP standards. The temporary revision allows a time period for evaluation of the impacts of a potential control strategy. Among the topics under study is the impact of higher sulfur fuel combustion on ambient sulfate levels.

Interstate impacts on NAAQS attainment and on growth increments must also be considered, in accordance with the recent amendments to section 110(a)(2)(E) and the addition of section 126 to the Clean Air Act. However, since the SIP revisions are temporary measures, expiring on July 1, 1979, they will not affect future available margins for growth. The January 1, 1979 attainment plan to be submitted by the Massachusetts Department will include a permanent control strategy and an evaluation of its impacts on future growth.

After evaluation of the State's submittal and public comments received, the Administrator has determined that the Massachusetts revision meets the requirements of the Clean Air Act and 40 CFR Part 51. Accordingly, this revision is approved as a revision to the Massachusetts Implementation Plan.

(Sec. 110(a), Clean Air Act, as amended (42 U.S.C. 7410).)

Dated: June 14, 1978.

BARBARA BLUM,
Acting Administrator.

The amendments are adopted without change, as set forth below:

Subpart W—Massachusetts

1. In § 52.1120, paragraphs (c) (8), (9), and (10) are revised to read as follows:

§ 52.1120 Identification of plan.

* * * * *

(c) * * *

(8) Regulation 5.1, Sulfur Content of Fuels and Control Thereof, for the Merrimack Valley Air Pollution Control District submitted on January 28, 1976 by the Secretary of Environmental Affairs and on August 22, 1977 by the Commissioner of the Department of Environmental Quality Engineering, and additional technical information pertinent to the Haverhill Paperboard Corp., Haverhill, Mass., submitted on December 30, 1976 by the Secretary of Environmental Affairs.

(9) Regulation 5.1, Sulfur Content of Fuels and Control Thereof, for the Pioneer Valley Air Pollution Control District submitted on July 22, 1976 by the Secretary of Environmental Affairs and on August 22, 1977 by the Commissioner of the Department of Environmental Quality Engineering, and additional technical information pertinent to Deerfield Specialty Papers, Inc., Monroe, Mass., submitted on December 27, 1977 by the Commissioner of the Massachusetts Department of Environmental Quality Engineering.

(10) Regulation 5.1, Sulfur Content of Fuels and Control Thereof, for the Central Massachusetts Air Pollution Control District submitted on June 25, 1976 by the Secretary of Environmental Affairs and on August 22, 1977 by the Commissioner of the Department of Environmental Quality Engineering.

§ 52.1126 [Amended]

2. In § 52.1126 paragraph (b) is amended by deleting "Deerfield Specialty Papers, Inc., Monroe, Mass." from the list of disapproved sources.

3. In § 52.1126, paragraph (e) is amended by striking out the phrase "submitted on January 28, 1976".

[FR Doc. 78-17068 Filed 6-20-78; 8:45 am]

[6820-24]

**Title 41—Public Contracts and
Property Management**

**CHAPTER 101—FEDERAL PROPERTY
MANAGEMENT REGULATIONS**

SUBCHAPTER H—UTILIZATION AND DISPOSAL

[FPMR Amdt. H-110]

MISCELLANEOUS CHANGES

AGENCY: General Services Administration.

ACTION: Final rule.

SUMMARY: This regulation clarifies GSA's rules concerning utilization and disposal of personal property by making editorial changes, updating references to organizational units, and revising exhibits.

EFFECTIVE DATE: June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

Mr. John U. Tait, Director, Regulations and Management Control Division, Office of the Executive Director, Federal Supply Service, General Services Administration, Washington, DC 20406 (703-557-1914).

**PART 101-42—PROPERTY
REHABILITATION SERVICES AND
FACILITIES**

Section 101-42.000 is revised as follows:

§ 101-42.000 Scope of part.

This part prescribes the policies and procedures governing the use by executive agencies of GSA term contracts, Federal Prison Industries, Inc., and Workshops for the Blind and Other Severely Handicapped for the maintenance, repair, rehabilitation, and reclamation of personal property and for the operation of facilities performing such services located within the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands. Military weapons systems, specialized military support equipment, and specialized technical and scientific equipment are exempt from this part.

**Subpart 101-42.1—Sources of
Property Rehabilitation Services**

1. Section 101-42.101 is amended as follows:

§ 101-42.101 General.

GSA regional property rehabilitation organizational elements assist agencies in furthering maximum utilization of personal property by providing maintenance, repair, rehabilitation, and reclamation services. These

services are made available through contracts with commercial firms, and through agreements with the National Industries for the Blind, the National Industries for the Severely Handicapped, and Federal repair facilities such as those operated by Federal Prison Industries, Inc. The services provided are primarily for domestic application but may be utilized to provide support for foreign assistance programs.

(a) The GSA Supply Catalog is published by the Federal Supply Service, GSA, to indicate sources of supply and services provided by GSA for the use of Federal agencies, including property rehabilitation type service contracts. The GSA Supply Catalog is issued in accordance with Subpart 101-30.6

2. Section 101-42.102 is revised as follows:

§ 101-42.102 GSA term contracts for services.

(a) GSA regional Federal Supply Service offices establish term contracts; prepare and issue term contract price schedules on a zonal, regional, or other area basis; and perform contract administration.

(b) Agency offices may be placed on a distribution list to receive term contracts in the form of price schedules applicable within specified areas upon request to the GSA regional Federal Supply Service office administering the contracts.

(c) Term contract price schedules are published in catalog style and list services available from contractors named therein. Notices of changes in the price schedules are furnished all agency offices receiving the schedules.

(d) The price schedules specify that agencies of the Federal Government will, unless excepted, issue purchase orders directly to contractors listed in the schedules; receive and inspect the shipments; and make payments directly to such contractors without referring the transactions to GSA. The price schedules provide for appropriate action in the event of delinquency or default on the part of any contractor.

3. Section 101-42.102-1(a) is revised as follows:

§ 101-42.102-1 Primary source provisions.

(a) GSA term contracts shall be used as a primary source for meeting executive agencies' requirements in the areas of maintenance, repair, rehabilitation, and reclamation of personal property, to the extent provided for in such contracts. These term contracts and covering price schedules are, therefore, mandatory on agencies in the geographic areas designated. How-

ever, existing contracts to which those agencies are parties at the time the term contracts become effective will continue to be in effect until completion of such existing contracts.

3. Section 101-42.102-2 is revised as follows:

§ 101-42.102-2 Optional use provisions.

Each GSA term contract price schedule contains provisions whereby, in addition to the agencies included under the primary source provision, all agencies and activities of the Federal Government, including the legislative and judicial branches, and other activities for which GSA is authorized by law to procure, may place orders under such schedules.

**Subpart 101-42.3—Recovery of
Precious Metals and Critical Materials**

1. Section 101-42.302-1 is revised as follows:

§ 101-42.302-1 Agency responsibility.

Each agency shall consider recovering silver regardless of the quantity of used hypo solution generated. Installation of a silver recovery unit consistent with the quantity of used hypo solution generated or storage of used hypo solution until a processable quantity is obtained are two alternatives. Where an activity generates small quantities and tests show that there is a minimal amount of silver per gallon of solution, arrangements should be made with another activity in the area, which is using a recovery unit, to receive and process its used hypo solution to the extent feasible. When consolidation with other activities is not practicable and information and assistance with regard to recovery techniques are required, the GSA regional office serving the area or the Defense Logistics Agency (DLA) (in accordance with § 101-42.303) should be contacted. If it is determined that the silver cannot be recovered economically by Government-owned equipment or by a commercial recovery contractor, the solution should be disposed of in accordance with Part 101-45 and in an environmentally acceptable manner.

2. Section 101-42.303-1 is revised as follows:

§ 101-42.303-1 Recovery of precious metals through the Defense Property Disposal Precious Metals Recovery Office (DPDPMRO).

Civilian agency activities generating precious metal-bearing scrap and having no disposal facilities available may use the facilities of DPDPMRO, which is a part of DLA. Accumulations of precious metal-bearing scrap such as silver-cell batteries, missile and elec-

PART 101-43—UTILIZATION OF PERSONAL PROPERTY

Subpart 101-43.1—General Provisions

Section 101-43.102-1 is revised as follows:

§ 101-43.102-1 Acquisition of office furniture.

Office furniture shall be purchased only after agency compliance with the reassignment requirements in this section and applicable replacement standards. Items should then be obtained from GSA stock or through Federal Supply Schedules pursuant to Part 101-26.

Subpart 101-43.3—Utilization of Excess

1. Section 101-43.302 is amended to revise the introductory material in paragraph (a), paragraph (a)(1), and the introductory material in paragraph (b) as follows:

§ 101-43.302 Agency responsibility.

(a) To obtain maximum utilization and to minimize the procurement of new items, each executive agency shall be responsible for making excess property available and facilitating the transfer of the property to other Federal agencies, to cost-reimbursement type contractors, and to the organizations specified in § 101-43.315. The transfer of excess property to a cost-reimbursement type contractor shall be made only by the agency administering the contract. Each executive agency shall, to the maximum extent practicable, fulfill its requirements for property, including those of its cost-reimbursement type contractors, by obtaining excess from other Federal agencies instead of initiating a new procurement. Agencies receiving or transferring excess personal property shall establish controls over the processing of transfer orders and shall establish and maintain an adequate system of property accountability.

(1) Before procuring new property, careful and receptive consideration shall be given to the use of known usable excess property of a similar type, including the possibility of substitution or adaptation of excess items not identical with requested items, whether the excess items are unused, rehabilitated, or in used condition, and regardless of whether the intended new procurement would be from GSA stock or other sources of supply. Executive agencies shall accept, to the fullest extent practicable, the reasonable substitution of such excess property instead of new procurement.

(b) To implement the policy for maximum use of excess personal prop-

erty as outlined in paragraph (a) of this § 101-43.302, the regional offices of GSA will screen all requests for replenishment of stock and direct delivery purchase requests submitted by executive agencies against lists of excess personal property available in their regions. GSA may take physical custody of such excess personal property for redistribution or may direct its transfer to executive agencies instead of procurement of new property from commercial sources of supply. If the excess property is used, rehabilitated, or differs in some substantial characteristic from the item ordered, notice of intent to substitute will be given the ordering agency to permit the agency the opportunity to inspect the property before shipment.

2. Section 101-43.303-1(b) is revised as follows:

§ 101-43.303-1 Acquisition of mercury.

(b) Mercury, minimum 99.9 percent pure (not triple distilled), is available for transfer from GSA stocks at fair market value. Requests for mercury by an agency for its use or for use by its cost-reimbursement type contractors shall be made to the Project Manager, Minerals and Ores Branch, General Services Administration (ENDO), Washington, DC 20405. The project manager will furnish the current fair market value to the requesting agency, which then will submit a request to the project manager for transfer of the quantity required. The unit of issue is a 76-pound flask.

3. Section 101-43.305 is revised as follows:

§ 101-43.305 Strategic and critical materials; excess related personal property.

For strategic and critical materials and excess related personal property, this Part 101-43 shall apply only to the extent not precluded by the provisions of Parts 101-14 and 101-47.

4. Section 101-43.313-9(f) is revised as follows:

§ 101-43.313-9 Shelf-life items.

(f) Shelf-life items which have a remaining useful life of 3 or more months before reaching the expiration date but which are not reported shall be made available for use by other Federal agencies as provided in § 101-43.306.

Documents listing such items shall identify the items by carrying the designating symbol "SL," shall show the

tronic parts, silver turnings, dental scrap, film scrap, and silver sludge recovered from used hypo solution should be reported by letter with a request for shipping instructions to the Chief, Defense Property Disposal Precious Metals Recovery Office, Naval Weapons Station, Earle, Colts Neck, NJ 07722. A copy of the report shall be sent to General Services Administration (FWR), Washington, DC 20406. Shipping instructions will be furnished the activity by the DPDPMRO within 30 calendar days following receipt of the request. Participating civilian agencies are entitled to requisition refined precious metals for use as Government-furnished material (GFM) to reduce new procurement costs in accordance with § 101-42.303-2. For additional information or recovery assistance, DLA may be contacted at the following address: Defense Logistics Agency, DOD Precious Metals Recovery Program Manager, Cameron Station, Alexandria, VA 22314.

3. Section 101-42.303-2 is revised as follows:

§ 101-42.303-2 Utilization of DOD-recovered precious metals as Government-furnished material (GFM) in Federal procurements.

To determine the need for recovered precious metals as GFM to reduce new procurement costs, each agency shall review procurements for which precious metals will be required by a contractor. Each agency having requirements for refined precious metals as GFM should submit a request to the Commander, Defense Industrial Supply Center, 700 Robbins Avenue, Philadelphia, PA 19111. A copy of each request shall be sent to the General Services Administration (FWR), Washington, DC 20406. Each agency requesting precious metals under the DOD Precious Metals Recovery Program shall also contribute any generated accumulations of silver, gold, and platinum to the DPDPMRO in accordance with § 101-42.303-1. Normally, the amount of precious metals authorized for sale to individual agencies will not exceed the quantity of refined metals derived from the agency contributions of precious metal-bearing materials to the program. Exceptions to this limitation will be made on a case-by-case basis if refined precious metals on hand exceed DOD requirements. No minimum ordering quantity is prescribed. There is a nominal charge for the refined precious metals to cover the administrative and processing costs; however, these costs are substantially lower than the current market price of fine silver, gold, and platinum.

expiration date, and, in the case of items with an extensible expiration date, shall indicate whether the expiration date is the original or an extended date. A surplus release date shall be established by the holding agency upon determination that these items are excess so as to provide a minimum of 21 calendar days for selection or set-aside of the items for Federal use. The surplus release date may be extended by the holding agency when these items are selected by an authorized screener for transfer or are set aside by a GSA representative for potential or actual transfer.

5. Section 101-43.313-10(a) is revised as follows:

§ 101-43.313-10 Medical shelf-life items held for national emergency purposes.

(a) Whenever the head of an executive agency determines that the remaining storage or shelf life of medical materials or supplies held for national emergency purposes is of too short duration to justify their continued retention for such purposes and that their transfer or disposal would be in the best interest of the United States, those materials or supplies shall be considered to be excess personal property. To the greatest extent practicable, the above determination shall be made at such time as to ensure that such medical materials or supplies can be transferred or otherwise disposed of in sufficient time to permit their use before their shelf life expires and they are rendered unfit for human use.

6. Section 101-43.313-12 is amended to revise paragraph (b) and the introductory material in paragraph (c)(2) as follows:

§ 101-43.313-12 Noncertified electronic products.

(b) Excess or exchange/sale electronic items for which radiation safety performance standards are prescribed by FDA under 21 CFR Part 1000 shall be made available for transfer to Federal agencies in accordance with the provisions of § 101-43.311 and this § 101-43.313-12. Standard Form 120, Report of Excess Personal Property (illustrated at § 101-43.4901-120), shall identify the items as noncertified electronic products and shall contain a statement that the items may not be in compliance with applicable radiation safety performance standards prescribed by FDA under 21 CFR Part 1000. Excess property catalogs and bulletins circulated by GSA offering such items shall advise Federal agen-

cies of the potential danger of using the items unless they are upgraded to meet Federal radiation safety standards.

(c) * * *

(2) By use of Standard Form 122, Transfer Order Excess Personal Property (illustrated at § 101-43.4901-122), or any other approved GSA transfer order form certified by the transferee that he:

7. Section 101-43.315-2(d) is revised as follows:

§ 101-43.315-2 Information of availability.

(d) Submission of current and future requirements for excess personal property to the appropriate GSA regional office using GSA Form 1539, Request for Excess Personal Property. Section 101-43.4902-1539 illustrates GSA Form 1539, and § 101-43.4902-1539-1 provides instructions for its acquisition and use. Property utilization specialists in GSA regional offices continually review completed forms in an effort to match agency needs with property becoming available for transfer. In addition, a mechanized method of cross matching agency requirements against reported excess property is used, keyed to the 13-digit national stock number (NSN) furnished by reporting agencies on Standard Form 120, Report of Excess Personal Property, and by requesting agencies on GSA Form 1539. A bank of requirements is maintained, recorded by agency, and identified by the applicable national item identification number (NIIN) (the last nine digits of the NSN). As excess property is reported, availability is matched against requirements on a direct NIIN-to-NIIN basis. It is important that wherever possible the NSN be shown for each item requested. GSA will assist agencies in obtaining NSN's so that the requirements may be incorporated into the mechanized matching system. If substitute items are acceptable, these should be furnished at the same time and identified by the NSN. Agencies having electrical accounting machine punchcard capability may elect to use this method of submitting requirements. In these instances, instructions for submission of requirements may be obtained from the Federal Supply Service, Personal Property Division, at each GSA regional office. Agencies also may submit a list of property requirements which will be incorporated into the mechanized requirements bank and will be retained for approximately 180 days. Reported excesses during this time, if matched with recorded requirements, will be offered for immediate transfer. Normally,

items for which needs are registered will not be offered in GSA excess property catalogs and bulletins. Thus, it is advantageous for agencies to update their list of items at the end of each 180-day period to derive maximum benefits from the excess property program and to preclude removal of the items from the requirements bank.

Subpart 101-43.5—Utilization of Foreign Excess Personal Property

Section 101-43.503 is revised as follows:

§ 101-43.503 Holding agency responsibilities.

(a) Prior to any sale, exchange, lease, or donation of medical materials or supplies pursuant to the provisions of section 402 (a) or (b) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 512), it is the responsibility of the head of each executive agency holding foreign excess personal property, or of the Administrator of General Services after consultation with that agency head, to determine whether it is in the interest of the United States to return foreign excess personal property from overseas for further Federal use or for donation as prescribed in Subpart 101-44.3. In exercising this authority, full consideration shall be given by GSA to the continuing and significant needs for excess and surplus equipment and supplies by Federal agencies and donee institutions and organizations. Federal agencies shall cooperate with GSA in making their foreign excess personal property available to GSA for selection and return to the United States for further Federal use or for donation.

(b) Before making foreign excess personal property available for return to the United States for further Federal use or for donation as prescribed in § 101-43.503(a) and in Subpart 101-44.3, the holding agency may make such property available for use by their activities in authorized programs. The Administrator, after consultation with an agency head, may establish the sequence of issue among competing Federal claimants for foreign excess property for Federal use and donation when it is found that the property is not required for the needs of that agency and its related activities.

Subpart 101-43.48—Exhibits

1. Section 101-43.4801 is amended by revising paragraph (c) and by amending paragraph (d) to revise three entries in the table of groups and classes as follows:

§ 101-43.4801 Excess personal property reporting requirements.

(c) Automatic data processing equipment as defined in § 101-32.301-1, whether or not it falls within group

74, shall be reported in the manner set forth in Subpart 101-32.47 to the General Services Administration (GSA),

Washington, DC 20405, rather than to a GSA regional office.

(d) * * *

Federal supply classification

Group No.	Group identification	Classes	Not reportable to GSA	Reportable to GSA	Minimum reportable condition codes
23.....	Ground effect vehicles, motor vehicles, trailers, and cycles.	All except Armored vehicles in 2320 trucks and truck tractors 2350 tanks and self-propelled weapons	X..... X..... X.....	X.....	N4, E4, O4, R4.
41.....	Refrigeration, air-conditioning, and air-circulating equipment.	All		X.....	N4, E4, O4, R4.
84.....	Clothing and individual equipment and insignia.	All except 8405 outerwear, men's 8410 outerwear, women's 8415 clothing, special purpose 8455 badges and insignia 8460 luggage 8465 individual equipment	 X.....	X..... X..... X..... X..... X..... X..... X.....	N3. N4, E4, O4, R4. N4, E4, O4, R4. N4, E4, O4, R4. N4, E4, O4, R4. N3, E3, O3, R2. N3, E3, O3, R2.

2. Section 101-43.4802 is revised as follows:

§ 101-43.4802 Regional offices addresses and assigned areas.

Region and office address	Regional areas
1—General Services Administration, John W. McCormack Post Office and Courthouse, Boston, Mass. 02109.	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
2—General Services Administration, 26 Federal Plaza, New York, N.Y. 10007.	New Jersey, New York, Commonwealth of Puerto Rico, Virgin Islands.
3—General Services Administration, Region 3, Washington, D.C. 20407.	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.
4—General Services Administration, 1776 Peachtree St. NW., Atlanta, Ga. 30309.	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin.
5—General Services Administration, 230 South Dearborn St., Chicago, Ill. 60604.	Iowa, Kansas, Missouri, Nebraska.
6—General Services Administration, 1500 East Bannister Rd., Kansas City, Mo. 64131.	Arkansas, Louisiana, New Mexico, Oklahoma, Texas.
7—General Services Administration, 819 Taylor St., Fort Worth, Tex. 76102.	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.
8—General Services Administration, Building 41, Denver Federal Center, Denver, Colo., 80225.	

Region and office address

9—General Services Administration, 525 Market St., San Francisco, Calif. 94105.
10—General Services Administration, GSA Center, Auburn, Wash. 98002.

Regional areas

Arizona, California, Hawaii, Nevada, Pacific Ocean Areas.
Alaska, Idaho, Oregon, Washington.

Subpart 101-43.49—Illustrations of Forms

1. Section 101-43.4901-122 is amended to change a reference in item 5 from "Property Management and Disposal Service" to "Federal Supply Service" in the instructions for preparing Standard Form 122, Transfer Order Excess Personal Property.

§ 101-43.4901-122 Standard Form 122, Transfer Order Excess Personal Property.

NOTE.—The form and instructions illustrated in § 101-43.4901-122 are filed as a part of the original document and do not appear in the FEDERAL REGISTER.

2. Section 101-43.4902-1539-1 is revised as follows:

§ 101-43.4902-1539-1 Instructions for preparing GSA Form 1539.

INSTRUCTIONS FOR ACQUISITION AND USE OF GSA FORM 1539, REQUEST FOR EXCESS PERSONAL PROPERTY

1. *Availability.* GSA Form 1539 will be furnished to agencies upon request to GSA

regional offices shown in § 101-43.4802. Information of a local or limited nature concerning the use of the form, not covered in paragraph 2, below, will be furnished by GSA regional offices for customer agencies located in their areas.

2. *Guidelines for use of GSA Form 1539.* a. To obtain maximum benefits from GSA Form 1539, agencies shall submit the completed form to the appropriate GSA regional office immediately upon determination of the need. The expiration date of a normal 180-day screening period should be shown in block 5 of GSA Form 1539. However, if this length of time is unacceptable, an earlier date should be shown.

b. Agencies are requested to restrict the use of GSA Form 1539 to:

(1) A single line item which, as general rule, has a total acquisition cost of more than \$500,

(2) An item not currently listed in GSA excess property catalogs or bulletins, and

(3) An item not listed in GSA Supply Catalogs and supplements thereto.

c. To assist the appropriate GSA regional office in locating and offering the agency an available excess item which will meet the specific need, block 1 (item description) of GSA Form 1539 must fully describe the item required and indicate the minimum acceptable condition code.

d. Nationwide requirements originating at agency headquarters may be submitted to the General Services Administration (FWU), Washington, DC 20406.

PART 101-44—DONATION OF PERSONAL PROPERTY

Subpart 101-44.1—General Provisions

Section 101-44.112(a) is revised as follows:

§101-44.112 Approval or disapproval of transfer orders.

(a) Surplus property shall not be released by a holding activity for donation until it has received an SF 123 bearing the signed approval of the appropriate GSA regional official. In approving the SF 123, GSA regional offices will comply with the sequence established in §101-44.109. An SF 123 which is not fully or properly prepared may be returned to the applicant or held in suspense until the required information is made available. In those cases in which property is specifically requested for the purpose of secondary use (where the property is to be disassembled or cannibalized), a justification of the proposed action must accompany the transfer order. The following statement shall be included on the SF 123:

"This property is requested for secondary use. When secondary use is to be accomplished by a donee, the property will be subject to the appropriate period of restriction until such time as disassembly or cannibalization has been accomplished and authorized disposal of the residue is accomplished."

Upon the request of a GSA regional office, the State agency (or the donee in the case of property donated under the provisions of Subparts 101-44.4 or 101-44.5) shall submit any additional information required to support and justify a donation application. The SF 123 will not automatically be held to the end of the screening period but will be approved and distributed as expeditiously as possible. An SF 123 received after the end of the donation screening period may be approved if the property is still available, and the holding activity has agreed to set the property aside pending receipt of donation approval.

Subpart 101-44.47—Reports

Section 101-44.4701(d) is revised as follows:

§101-44.4701 Reports.

(d) The Administrator will submit not later than April 1, 1980, and every 24 months thereafter a report in duplicate to the President of the U.S. Senate and to the Speaker of the U.S.

House of Representatives which covers the preceding 2-year period and contains a full and independent evaluation of the operation of Pub. L. 94-519, the extent to which the objectives of the law have been fulfilled, how needs met by prior property programs have been met, an assessment of the degree to which the relative needs of the various recipients have been met, and whatever recommendations the Administrator determines are necessary and desirable.

PART 101-45—SALE, ABANDONMENT, OR DESTRUCTION OF PERSONAL PROPERTY

Subpart 101-45.3—Sale of Personal Property

Section 101-45.309-1 is amended to revise the introductory material in paragraph (b) as follows:

§101-45.309-1 Agricultural commodities.

(b) *Required references to the Department of Agriculture.* With respect to quantities of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, in excess of the amounts specified in this §101-45.309-1, holding agencies shall obtain from the Agricultural Stabilization and Conservation Service, Department of Agriculture:

Subpart 101-45.48—Exhibits

Section 101-45.4808 is revised as follows:

§101-45.4808 State health agencies.

State Health Agencies (for Bedding and Upholstered Furniture Information).

ALABAMA

Director, Division of Environmental Health, State Office Building, Montgomery, AL 36104.

ALASKA

Chief, Environmental Health Section, Division of Public Health, Department of Health and Social Services, Pouch H 01, Juneau, AK 99811.

ARIZONA

Arizona Department of Health Services, Bureau of Sanitation, Bedding Section, 411 North 24th Street, Phoenix, AZ 85008.

ARKANSAS

Bureau of Public Health Engineering, Arkansas Department of Health, 13th Floor, Donaghey Building, 7th and Main Streets, Little Rock, AR 72201.

CALIFORNIA

Chief, Bureau of Home Furnishings, State of California, Department of Home Furnishings, 3401 La Grande Boulevard, Sacramento, CA 95823.

COLORADO

Chief, Consumer Protection Section, State of Colorado, Department of Health, 4210 East 11th Avenue, Denver, CO 80220.

CONNECTICUT

Commissioner, Department of Consumer Protection, Division of Bedding and Upholstered Furniture, 165 Capitol Avenue, Hartford, CT 06115.

DELAWARE

Chief, Bureau of Environmental Health, Department of Health and Social Services, Division of Public Health, Post Office Box 637, Dover, DE 19901.

DISTRICT OF COLUMBIA

Environmental Health Scientist, Administrator, Room 733, Environmental Health Administration, 801 North Capitol Street, NE., Washington, DC 20001.

FLORIDA

Chief, Department of Health and Rehabilitative Services, Consumer Drugs and Devices Control Section, Post Office Box 210, Jacksonville, FL 32201.

GEORGIA

Director, Consumer Protection Field Forces, Georgia Department of Agriculture, 19 Martin Luther King Drive, Room 308, Atlanta, GA 30334.

HAWAII

Chief, Sanitation Branch, State Department of Health, Honolulu, HI 96813.

IDAHO

Chief, Idaho Department of Health and Welfare, Division of Environment, Milk and Food Section, Statehouse, Boise, ID 83720.

ILLINOIS

No need to notify.

INDIANA

Supervisor, Sanitary Bedding Section, Division of Weights and Measures, Indiana State Board of Health, 1330 West Michigan Street, Indianapolis, IN 46206.

IOWA

Secretary, Iowa State Department of Agriculture, State Capitol Building, Des Moines, IA 50319.

KANSAS

Chief, Food and Drug Division, Kansas State Department of Health and Environment, State Office Building, Topeka, KS 66620.

KENTUCKY

Commissioner, Environmental Sanitation Branch, Division of Consumer Health Protection, Health Services Building, 275 East Main Street, Frankfort, KY 40601.

LOUISIANA

Director, Bedding and Upholstered Furniture Division, Louisiana Health and

RULES AND REGULATIONS

Human Resources Administration, Post Office Box 60630, New Orleans, LA 70160.

MAINE

Director, Department of Manpower Affairs, Maine Bureau of Labor, State Office Building, Augusta, ME 04333.

MARYLAND

No need to notify.

MASSACHUSETTS

Director, Division of Food and Drugs, Massachusetts Department of Public Health, Statehouse, Boston, MA 02133.

MICHIGAN

Chief, Michigan Department of Public Health, Division of Community Environment Health, Consultation, Evaluation & Training Section, 3500 North Logan Street, Post Office Box 30035, Lansing, MI 48909.

MINNESOTA

Chief, Section of Hotels, Resorts & Restaurants, Minnesota Department of Health, 77 South East Delaware Street, Minneapolis, MN 55440.

MISSISSIPPI

Director, Division of Sanitary Engineering, Mississippi State Board of Health, Post Office Box 1700, Jackson, MS 39205.

MISSOURI

Director, Bureau of Community Sanitation, Department of Social Services, Missouri Division of Health, Broadway State Office Building, Post Office Box 570, Jefferson City, MO 65101.

MONTANA

Director, Food and Consumer Safety Bureau, Environmental Sciences Division, Montana Department of Health and Environmental Science, Helena, MT 59601.

NEBRASKA

Chief, Division of Housing and Environmental Health, 301 Centennial Mall South, Post Office Box 95007, Lincoln, NE 68509.

NEVADA

Chief, Consumer Health Protection Services, Room 103, Kinkead Building, Capitol Complex, Carson City, NV 89710.

NEW HAMPSHIRE

No need to notify.

NEW JERSEY

Director, Division of Environmental Health, New Jersey State Department of Health and Social Services, John Fitch Plaza, Post Office Box 1540, Trenton, NJ 08625.

NEW MEXICO

Director, EIA Legal Section, State of New Mexico, Health and Social Services Department, Post Office Box 2348, Santa Fe, NM 87503.

NEW YORK

Director, Division of Licensing Services, Department of State, 270 Broadway, New York, NY 10007.

NORTH CAROLINA

Head, Solid Waste and Vector Control Branch, Sanitary Engineering Section, Post Office Box 2091, Raleigh, NC 27602.

NORTH DAKOTA

Chief, North Dakota State Department of Health, Division of Environmental Engineering Bedding Program, 1200 Missouri Avenue, Bismarck, ND 58505.

OHIO

Chief, Department of Industrial Relations, Division of Bedding and Upholstered Furniture Inspection, Post Office Box 825, Columbus, OH 43216.

OKLAHOMA

Head, Consumer Information and Product Safety Division, Consumer Protection Service, Oklahoma State Department of Health, Post Office Box 53551, Oklahoma City, OK 73105.

OREGON

Program Supervisor, Department of Human Resources, Health Division, Post Office Box 231, Portland, OR 97207.

PENNSYLVANIA

Chief, Division of Bedding and Upholstery, Department of Labor and Industry, Seventh and Forster Streets, Harrisburg, PA 17120.

PUERTO RICO

Director, Program of Environmental Health, Puerto Rico Department of Health, Ponce de Leon Avenue 1306, Box 9342, Santurce, PR 00908.

RHODE ISLAND

Chief, Division of Upholstery, State of Rhode Island Department of Business Regulation, 49 Westminster Street, Room 420, Providence, RI 02903.

SOUTH CAROLINA

Consultant, Bureau of Environmental Sanitation, South Carolina Department of Health and Environmental Control, 2600 Bull Street, Columbia, SC 29201.

SOUTH DAKOTA

Director, Division of Sanitary Engineering, South Dakota Department of Health, Joe Foss Building, Pierre, SD 57501.

TENNESSEE

Director, Food and Drug Division, Tennessee Department of Agriculture, Post Office Box 40627, Melrose Station, Nashville, TN 37204.

TEXAS

Director, Bedding-Law Division, Texas Department of Health Resources, Austin, TX 78756.

UTAH

State Chemists Office, Utah Department of Agriculture, Laboratory Building, State Capitol, Salt Lake City, UT 84114.

VERMONT

No need to notify.

VIRGINIA

Supervisor, Bedding and Upholstered Furniture, Department of Health, 109 Governor Street, Richmond, VA 23219.

VIRGIN ISLANDS

Director, Division of Environmental Health, Virgin Islands Department of Health, Post Office Box 1442, Charlotte Amalie, VI 00801.

WASHINGTON

Supervisor, Department of Social and Health Services, Food and Housing Section, Attn: Furniture and Bedding Program (Mailstop)-MS-LD-11, Olympia, WA 98504.

WEST VIRGINIA

Director, Consumer Protection, West Virginia Department of Labor, State Capitol, 1800 Washington Street East, Charleston, WV 25305.

WISCONSIN

Chief Engineer, Safety and Buildings Division, Wisconsin Department of Industry, Labor and Human Relations, 201 East Washington Avenue, Madison, WI 53707.

WYOMING

Director, Division of Markets and Industry, Wyoming State Department of Agriculture, 308 Capitol, Cheyenne, WY 82001.

PART 101-46—UTILIZATION AND DISPOSAL OF PERSONAL PROPERTY PURSUANT TO EXCHANGE/SALE AUTHORITY

Subpart 101-46.2—Authorization

Section 101-46.202 is amended to revise paragraphs (b)(1), (b)(2), and (c) as follows:

§ 101-46.202 Restrictions and limitations.

* * *

(b) * * *

(1) Both fall within any one of the categories listed in § 101-46.4802; or

(2) In the case of personal property not falling within the categories of § 101-46.4802, the item to be acquired is designed and constructed for the same specific purpose as the item to be replaced; or

* * *

(c) Items falling within any of the Federal supply classification groups enumerated in § 101-46.4801 shall not be eligible for handling under the provisions of this Part 101-46.

* * *

NOTE.—The form and instructions illustrated in §§ 101.43-4901-122 are filed as part of the original document and do not appear in the FEDERAL REGISTER.

(Sec. 205(c), 63 Stat.390; 40 U.S.C. 486(c).)

Dated: June 13, 1978.

ROBERT T. GRIFFIN,
Acting Administrator
of General Services.

[FR Doc. 78-17107 Filed 6-20-78; 8:45 am]

[7035-01]

Title 49—Transportation

**CHAPTER X—INTERSTATE
COMMERCE COMMISSION**

**SUBCHAPTER A—GENERAL RULES AND
REGULATIONS**

[S. O. No. 1329]

PART 1033—CAR SERVICE

**Chicago, Rock Island and Pacific Rail-
road Co. Authorized To Operate
Over Tracks of Chicago and North
Western Transportation Co.**

AGENCY: Interstate Commerce Com-
mission.

ACTION: Emergency Order, (Service
Order No. 1329).

SUMMARY: Because of damage to a
bridge on its line the Chicago and
North Western Transportation Com-
pany is unable to operate to or from
Livermore, Iowa. Several shippers
served by that line require continued
rail service. Service Order No. 1329 au-
thorizes the Chicago, Rock Island and
Pacific Railroad to operate over tracks
of the Chicago and North Western
Transportation Company in Livermore
in order to provide urgently needed
railroad service to these shippers.

DATES: Effective 12:01 a.m., June 17,
1978. Expires 11:59 p.m., September
30, 1978.

FOR FURTHER INFORMATION
CONTACT:

C. C. Robinson, Chief, Utilization
and Distribution Branch, Interstate
Commerce Commission, Washing-
ton, D.C. 20423, Telephone (202)
275-7840, Telex 89-2742.

SUPPLEMENTARY INFORMATION:
The Order is printed in full below.

Decided June 16, 1978.

The line of the Chicago and North
Western Transportation Company
(CNW) between Livermore, Iowa, and
Humboldt, Iowa, is unserviceable be-
cause of damage to a bridge between
those points, and preventing the CNW
from serving shippers at Livermore.
The Chicago, Rock Island and Pacific
Railroad Company (RI) connects with
the CNW at Livermore and has agreed
to operate over CNW tracks in order
to provide essential railroad service to
shippers served by those tracks.

The CNW has consented to use of its
tracks by the RI.

It is the opinion of the Commission
that an emergency exists requiring op-
eration of RI trains over these tracks
of the CNW in the interest of the
public; that notice and public proce-
dure are impracticable and contrary to
the public interest; and that good
cause exists for making this order ef-
fective upon less than thirty days'
notice.

It is ordered,

§ 1033.1329 Service Order No. 1329.

(a) *Chicago, Rock Island and Pacific
Railroad Company authorized to oper-
ate over tracks of Chicago and North
Western Transportation Company.* The Chicago, Rock Island and Pacific
Railroad Company (RI) is authorized
to operate over tracks of the Chicago
and North Western Transportation
Company (CNW) at Livermore, Iowa.

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

(c) *Rates applicable.* Inasmuch as
this operation by the RI over tracks of
the CNW is deemed to be due to carrier's
disability, the rates applicable to
traffic moved by the RI over the
tracks of the CNW shall be the rates
which were applicable on the ship-
ments at the time of shipment as origi-
nally routed.

(d) *Effective date.* This order shall
become effective at 12:01 a.m., June
17, 1978.

(e) *Expiration date.* The provisions
of this order shall expire at 11:59 p.m.,
September 30, 1978, unless otherwise
modified, changed, or suspended by
order of this Commission.

(49 U.S.C. 1(10-17))

This order shall be served upon the
Association of American Railroads,
Car Service Division, as agent of the
railroads subscribing to the car service
and car hire agreement under the
terms of that agreement and upon the
American Short Line Railroad Associ-
ation. Notice of this order shall be
given to the general public by deposit-
ing a copy in the Office of the Secre-
tary of the Commission at Washing-
ton, D.C., and by filing a copy with the
Director, Office of the Federal Regis-
ter.

By the Commission, Railroad Serv-
ice Board, members Joel E. Burns,
Robert S. Turkington and John R. Mi-
chael.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-17127 Filed 6-20-78; 8:45 am]

[3510-22]

Title 50—Wildlife and Fisheries

**CHAPTER II—NATIONAL MARINE
FISHERIES SERVICE, NATIONAL
OCEANIC AND ATMOSPHERIC AD-
MINISTRATION, DEPARTMENT OF
COMMERCE**

**PART 285—ATLANTIC TUNA
FISHERIES**

Bluefin Tuna Regulations

AGENCY: National Oceanic and At-
mospheric Administration, Commerce.

ACTION: Final rulemaking.

SUMMARY: National Marine Fisher-
ies Service amends the regulations re-
garding fishing for Atlantic bluefin
tuna. These amended regulations
modify annual catch quotas, seasons,
reporting requirements, and inspec-
tion requirements for United States
vessels. These regulations are intended
to implement the recommendations of
the International Convention for the
Conservation of Atlantic Tunas
(ICCAT), and are published under au-
thority of the Atlantic Tunas Con-
vention Act of 1975, 16 U.S.C. 971-971h.

EFFECTIVE DATE: 0001 EDT, June
16, 1978.

FOR FURTHER INFORMATION
CONTACT:

Mr. William Gordon, Regional Di-
rector, Northeast Region National
Marine Fisheries Service, 14 Elm
Street, Gloucester, Mass., 01930,
617-281-3600.

SUPPLEMENTARY INFORMATION:
Subpart B was first promulgated on
May 18, 1976 (41 FR 32604) and subse-
quently amended and repromulgated
on June 14, 1977 (42 FR 30373). These
regulations were published as pro-
posed rulemaking on March 14, 1978
(43 FR 10592). The public comments
received at those hearings and the Na-
tional Marine Fisheries Service
(NMFS) responses, are explained in
detail below. In order that this regula-
tion might be read in context, Subpart
B is being republished in its entirety.

DISCUSSION OF THE MAJOR COMMENTS

QUOTAS

A great many commentators indicat-
ed they would like to see the annual
quotas increased for all size classes of
bluefin tuna. Fishermen in the Mid-
Atlantic region state that the prohibi-
tion against catching tuna weighing
less than 14 pounds is a hardship on
them. Fishermen in New England be-
lieve that a quota of 3,750 to 4,000
giants is the minimum that should be
set there. Other fishermen believe
that the quota for giants should be re-
duced.

The annual allowable take of giant bluefin tuna (in excess of 300 pounds) has been increased from 2,000 to 2,250 fish (§ 285.13(b)(1)). This increase is based on evidence that the United States take for giant tuna in recent years has been 2,250 fish. This quota is consistent with the ICCAT recommendation for the catch of giant bluefin tuna.

Information from Maine fishermen indicated that the annual quota for the United States may be caught before the giant tuna move into waters where they would become available to those fishermen.

Accordingly, 300 of the 2,250 giant bluefin tuna are reserved for harvest north and east of a line 110° true drawn from Cape Porpoise, Maine. After Labor Day, however, any remaining giants from this number will revert back to the general fishery in the area north and east of the imaginary line drawn through Gay Head Light.

The 150 giant tuna quota for the area south of Gay Head Light will be increased to 175. The 25 fish difference from the proposed regulations is based on public comments received at the public hearings. The quotas for medium and young school tuna have not been changed and the prohibition against catching school tuna under 14 pounds has been continued. A special scientific quota of 200 giant tuna has been set aside for a biologically important tag and release program.

STATISTICS

One commentator voiced his opinion that the fork length of a giant tuna should be measured and reported by the dealer buying the tuna instead of the fisherman. It was also stated that since some fishermen fish alone, it is sometimes difficult to measure a tuna at sea, especially in small boat. NMFS does not intend that fish must be measured at sea. Since the weight of a giant tuna is not taken until the fish is at the dock, the length measurement can be taken at the same time. NMFS believes that the fisherman can most easily measure and report the fork length.

DEFINITIONS

Section 285.1 has been amended to modify the definition of angling to including the taking of fish with a barbed hook attached to a line which is either hand held or attached to a rod and reel. It has also been amended to include definitions of bigeye tuna and Atlantic bonito.

REPORTING REQUIREMENTS

One commentator objected to the 24-hour advance notice requirement for off-loading inspections. He pointed out that the fishing operation is such

that the master often has very little advance notice of the time when it will be necessary to off-load. Consequently, the 24-hour advance notice requirement frequently means that the vessel must stand by idly until the 24-hour period has expired.

This has resulted indirectly in unnecessary financial hardship because of lost fishing time. These regulations take that problem into account by reducing the advance notice period from 24 hours to 12 hours.

Several commentators said that tuna have been tagged and released were subsequently caught but not reported. The information obtained from tagging returns is extremely important to our knowledge of the biology and movements of the tuna. Consequently these regulations now require fishermen to report the taking of any tagged tuna.

TAG AND RELEASE PERMITS

Several comments were made concerning the tagging and releasing of giant bluefin tuna. There was some apparent confusion regarding the wording of § 285.21. It was not clear whether a tagging permit was necessary for the tagging of giant tuna or for all tuna. To clarify this, the wording in that section of the regulations has been modified to make it clear that a tagging permit is only necessary for giant tuna.

BUY AND TRANSPORT VESSELS

A number of comments were received on both sides of the issue which would allow "buy" boats to purchase giant tuna at sea. In order to better refine this issue, a proposed regulation for "buy" boats will be published in the near future and a public hearing will be scheduled to obtain comments.

GEAR RESTRICTIONS

Several commentators said that the proposed legal length of the purse seine net which would be allowed under the regulations for Atlantic bluefin tuna is too short. They also felt that the thread count restriction in the purse seine net should be relaxed. The present minimum of 24 count is unrealistic, they said, in view of the fine meshes (porpoise safety panels) found in the upper parts of some nets. These meshes are frequently constructed of twine smaller than 24 count. It was also stated that the eight inch mesh size in the selvage was unnecessary. NMFS agrees that the mesh size in the selvage can be waived and that an exception can be made to allow for slightly smaller twine in the main body of the net as long as the net strength is deemed strong enough to ensure the capture of tuna without breaking. The maximum length of the purse seine will

remain at 2,700 feet because a longer net could possibly capture the entire quota with a single net.

GENERAL RESTRICTIONS

There were a number of commentators who objected to the proposal that the metal identification tag be inserted prior to the transfer of a giant tuna from the catching vessel. It was felt that this would provide an easy way for unscrupulous fishermen to circumvent the law. After considering the arguments presented, NMFS has modified this regulation so that the metal tag has to be attached when the tuna has been either boated or secured to the vessel. Several commentators stated that the metal identification tags were stolen from fishermen and other tags were being traded among fishermen. These actions were making it very difficult to trace the original ownership of giant tuna as they were being marketed. Consequently NMFS now requires that only those identification tags issued to a certified vessel may be used to tag fish caught from that vessel.

SEASONS

A large number of comments and suggestions were made concerning the season for taking bluefin tuna. Some fishermen favored a seven giant tuna bag limit each week. Others favored limits of two or three fish each day. There were a number of variations on times when only one fish was allowed, and multiple catches each day for other times. The majority of the commentators, however, stated that they would like a one fish limit per day throughout the season. Such a measure would allow for continued fishing throughout the summer and increase the opportunity to catch giant tuna.

The season will probably be extended to October, especially along that stretch of coast north and east of Gay Head Light, Massachusetts. With the great increase in fishing pressure experienced over the last few years, however, the fishing season would be reduced, not extended, unless a one giant per day limit is imposed for the entire season. Several commentators disapproved of delaying the opening of the giant purse-seine fishery to September 9 which was proposed. However, since one major management objective is to avoid the sort of gear conflicts which have occurred between the large number of anglers and the purse seine fishermen during the Labor Day weekend, the opening day for the purse seine fishery is set on the day after Labor Day.

Signed this 15th Day of June, 1978.

WINFRED H. MEIBOHM,
Associate Director, National
Marine Fisheries Service.

Accordingly, § 285.1 and Subpart B of 50 CFR Part 285, as amended, are revised as follows:

§ 285.1 Definitions.

In addition to the meaning ascribed by the Act, if any, the following terms shall mean:

"The Act" means Atlantic Tunas Convention Act of 1975, 16 U.S.C. 971a.-971h.

"Albacore" means the species of fish scientifically known as *Thunnus alalunga*.

"Angling" means the taking or the attempted taking of fish with a barbed hook attached to a line which is hand held or by rod and reel designed and manufactured for the purpose of sport.

"Assistant Administrator" means the Assistant Administrator for Fisheries, National Oceanic and Atmosphere Administration.

"Atlantic bluefin tuna" means the species of fish scientifically known as *Thunnus thynnus thynnus*.

"The following class size designations are made for Atlantic bluefin tuna:

- (a) young school tuna—less than 14 pounds;
- (b) school tuna—14 pounds and more, but less than 115 pounds;
- (c) medium tuna—115 pounds and more, but less than 300 pounds;
- (d) giant tuna—300 pounds and more.

"Atlantic bonito" means the species of fish scientifically known as *Sarda chiliensis* and *Sarda sarda*.

"Bigeye tuna" means the species of fish scientifically known as *Thunnus obesus*.

"Cargo vessel" means any fishing vessels used for transporting fish or fish products.

"Closed season" means the time during which a regulated species may not be taken within the regulatory area, except in limited quantities as an incident to fishing for another species with which the regulated species may be mingled.

"Commercial activity" means all activities, other than fishing, of industry and trade, including but not limited to, the buying and selling of a regulated species and activities conducted for the purpose of facilitating such buying and selling.

"Commission" means the International Commission for the Conservation of Atlantic Tunas established pursuant to Article III of the Convention.

"Convention" means the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, 20 U.S.T. 2887, including any amendments or protocols which are or become effective for the United States.

"Council" means the Council established within the International Commission for the Conservation of the Atlantic Tunas pursuant to Article V of the Convention.

"Dealer" means any person (as hereinafter defined) who engages in a com-

mercial activity with respect to a regulated species or parts thereof.

"Dressed weight" means the weight of a fish after it has been gilled, gutted, beheaded, and finned.

"Fishing" means the catching, taking, or fishing for, or the attempted catching, taking, or fishing for, any species of fish covered by the Convention, or any activities in support thereof.

"Fishing vessel" includes all watercraft, except purse seine skiffs, which are used, used in support of, or outfitted for, catching, taking, processing or transporting fish.

"Fishing voyage" means the period between the date a fishing vessel departs from any port to carry out fishing operations and the date such vessel unloads any of its catch or the date such vessel returns to any port for the express purpose of receiving an inspection by a designated agent of the National Marine Fisheries Service.

"NMFS" means National Marine Fisheries Service.

"Open season" means the time during which a regulated species may be lawfully taken within the regulatory area in accordance with established quotas or other limitations.

"Person" includes any individual, partnership, corporation, or association subject to the jurisdiction of the United States.

"Purse seining" means the taking or the attempted taking of fish by means of an encircling net and associated gear used in commercial fishing operations. "Quota" means the amount of fish measured either by number or weight that may be retained.

"Regional Director" means:

(a) For purposes of Atlantic bluefin tuna—the Regional Director, Northeast Region, National Marine Fisheries Service, Federal Building, 14 Elm Street, Gloucester, Massachusetts 01930.

(b) For purposes of yellowfin tuna—the Regional Director, Southwest Region, National Marine Fisheries Service, 300 South Ferry Street, Terminal Island, California 90731.

"Regulatory area" means all waters of the Atlantic Ocean including adjacent seas except the waters over which the States have jurisdiction unless the Director has determined otherwise in accordance with § 285.8.

"Round weight" means the weight of a fish prior to gilling, gutting, and beheading.

"Secretary" includes the Secretary of Commerce or a designee.

"Short ton" means 2000 lbs. (907 kg.).

"State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and territories and possessions of the United States.

"Tuna" means Atlantic bluefin, yellowfin, skipjack, albacore or bigeye tuna.

"Yellowfin tuna" means the species of fish scientifically known as *Thunnus albacares*.

Subpart B—Atlantic Bluefin Tuna

(*Thunnus thynnus thynnus*)

Sec.	
285.10	Effective period of regulations.
285.11	Authorized fishing.
285.12	Open and closed seasons.
285.13	Quotas.
285.14	Incidental catch.
285.15	Gear restrictions.
285.16	Purse seine vessel inspection.
285.17	General restrictions.
285.18	Reporting requirements.
285.19	Presumptions.
285.20	Certification.
285.21	Tag and release permits.

AUTHORITY: Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971-971h).

Subpart B—Atlantic Bluefin Tuna

(*Thunnus thynnus thynnus*)

§ 285.10 Effective period of regulations.

These regulations shall remain in force until superseded, amended, or otherwise suspended.

§ 285.11 Authorized fishing.

Fishing for Atlantic bluefin tuna that weigh 14 pounds and above, but less than 115 pounds round weight (school tuna) or Atlantic bluefin tuna that weigh 300 pounds and above (giant tuna), by persons or fishing vessels subject to the jurisdiction of the United States, is authorized in the regulatory area only during open seasons. Fishing for Atlantic bluefin tuna that weigh less than 14 pounds round weight (young school tuna) or Atlantic bluefin tuna that weigh 115 pounds and above but less than 300 pounds (medium tuna), by persons or fishing vessels subject to the jurisdiction of the United States is not authorized at any time in the regulatory area except as provided for in § 285.13. However, young school tuna and medium tuna, may be taken incidentally in the course of fishing in the regulatory area by persons or fishing vessels subject to the jurisdiction of the United States in the manner and quantities set forth in § 285.14.

§ 285.12 Open and closed seasons.

(a) The seasons for taking Atlantic bluefin tuna shall be closed when the Regional Director announces such closing through direct or indirect communication with participants in the fishery and by announcement in the FEDERAL REGISTER.

(b) The season for taking giant tuna by purse seining shall begin the day after Labor Day of each calendar year.

(c) The season for taking Atlantic bluefin tuna by other than as specified in paragraphs (a) and (b) of this section shall commence on January 1 of each calendar year.

§ 285.13 Quotas.

(a) Purse seining:

(1) The total annual seine quota for school tuna is 1,000 short tons. Of this total annual quota of 1,000 short tons, 800 short tons may be taken during the open season and 200 short tons are reserved to be taken at any time during the year in connection with the scientific bluefin tuna tagging project. Such tagging efforts shall be conducted under the direct supervision of the Center Director, Southeast Fisheries Center (SEFC), National Marine Fisheries Service (NMFS), Miami, Fla., or his representative and shall involve no more than four (4) purse seine vessels and associated crews to be selected by the Center Director or his representative.

(2) A special scientific quota not to exceed 25 short tons of Atlantic bluefin tuna is established for the purposes of obtaining age, sex, and other scientific research data, and for tagging. Such research activity shall be conducted under the direct supervision of the Center Director, Southeast Fisheries Center (SEFC), National Marine Fisheries Service (NMFS), or his representative.

(3) The total annual seine quota for giant tuna is 180 short tons.

(b) Fishing by other than purse seining:

(1) The total annual quota of giant tuna is 2,250 tons. Each vessel fishing for Atlantic bluefin tuna with gear other than a purse seine may land no more than one giant tuna each day.

(i) Of the total annual quota of giant tuna, no more than 2,075 giant tuna may be taken north and east of a line drawn from a point on the southern coast of Massachusetts extending due south through Gay Head Light, Massachusetts, into the Atlantic Ocean. Of these 2,075 giant tuna, 300 giant tuna will be reserved until Labor Day, for taking, north and east of a line drawn from a point on the southern coast of Maine extending 110° true from Cape Porpoise into the Gulf of Maine. After Labor Day the remainder of the 300 giants will revert back to the fishery in the area north and east of the line extending through Gay Head Light, Massachusetts. No more than 175 giant tuna may be taken from waters west of Gay Head Light, including the waters of Narragansett Bay.

(2) A special scientific quota, not to exceed 200 giant tuna is reserved to be taken at any time during the year in connection with a scientific giant bluefin tagging project. The project shall be conducted in close cooperation with the Center Director, SEFC, but under the direct supervision of the Northeast Regional Director, and shall take place at his discretion.

(c) Recreational angling:

(1) A daily bag limit of four (4) school tuna per person is authorized.

(2) Persons described above, may include in their daily bag limit one young school tuna and one medium tuna: *Provided, however,* That in no case may the daily bag limit of four Atlantic bluefin tuna, as specified in paragraph (c)(1) of this section, be exceeded.

(d) When the quota for a particular class of Atlantic bluefin tuna has been reached, the Regional Director shall, in accordance with § 285.12 close the season for Atlantic bluefin tuna of that class: *Provided, however,* That anglers may continue a tag and release program pursuant to § 285.21.

(e) The Regional Director upon review of the Atlantic bluefin tuna catch may reallocate catch quotas by publication of a notice in the FEDERAL REGISTER.

§ 285.14 Incidental catch.

(a) Purse seine vessels fishing for giant tuna may take incidentally, during any trip, Atlantic bluefin tuna weighing less than 300 pounds round weight: *Provided,* That the amount of such tuna taken shall not exceed 3 percent, by weight, of the total amount of Atlantic bluefin tuna on board the vessel. Purse seine vessels fishing for school tuna may take incidentally, during any trip, Atlantic bluefin tuna outside that weight class: *Provided,* That the amount of such tuna taken shall not exceed 3 percent, by weight, of the total amount of Atlantic bluefin tuna on board the vessel.

(b) Herring, mackerel and menhaden purse seine vessels and vessels using fixed gear (pounds, traps, weirs, gill-nets and longlines): Persons or fishing vessels subject to the jurisdiction of the United States fishing principally for species of fish other than Atlantic bluefin tuna, except operators of traps, may take, during any trip, Atlantic bluefin tuna: *Provided,* That the amount of Atlantic bluefin tuna taken does not exceed 2 percent, by weight, of all other fish on board the vessel: *And provided further,* That such vessels have been issued an Atlantic bluefin tuna certificate pursuant to this subpart. Operators of traps may retain Atlantic bluefin tuna taken incidentally in these operations: *Provided,* That said tuna do not exceed 2 percent, by weight, of the total amount of all other fish species taken within the preceding 30-day period.

(c) All Atlantic bluefin tuna taken incidentally shall be included in the appropriate quotas set forth in § 285.13.

§ 285.15 Gear restrictions.

It shall be unlawful for any person or vessel subject to the jurisdiction of the United States to engage in a di-

rected fishery for Atlantic bluefin tuna, under § 285.13(a), with nets, other than a trap net, if such net has a mesh size larger than 4.5 inches in the main body (stretched when wet), or has less than 24 count thread anywhere in the net, except as otherwise may be provided by the Regional Director. Such net shall not exceed 2,700 feet in length.

§ 285.16 Purse seine vessel inspection.

(a) It shall be unlawful for any owner of any purse seine vessel that has been issued an Atlantic bluefin tuna vessel certificate, under § 285.20, to begin fishing with such vessel and fishing gear for Atlantic bluefin tuna without first having the vessel and fishing gear inspected by an agent of the National Marine Fisheries Service. Arrangements for an inspection shall be made by calling 617-281-3600, ext. 252.

§ 285.17 General restrictions.

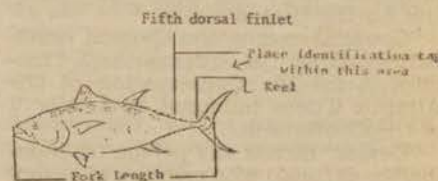
(a) It shall be unlawful for any person subject to the jurisdiction of the United States to land any Atlantic bluefin tuna in other than (1) round, or (2) eviscerated with the head removed, forms.

(b) It shall be unlawful for any person to obtain a vessel certificate, under § 285.20, unless the vessel travels to and from the fishing grounds under its own power and the person operating that vessel brings Atlantic bluefin tuna under control (secured to the catching vessel or boated) with no assistance from other vessels, except in circumstances where the safety of the vessel or crew is jeopardized, or due to other circumstances beyond the control of the master.

(c) It shall be unlawful for any person, subject to the jurisdiction of the U.S. to fail or neglect to release any Atlantic bluefin tuna which will not be retained immediately, and with a minimum of injury.

(d) It shall be unlawful for any person, subject to the jurisdiction of the United States who takes a giant tuna to fail to affix to that tuna between the fifth dorsal finlet and the keel (See Figure 1), an individually numbered metal tag once the tuna has been brought under control and either boated or secured to the vessel. Such tag is to be furnished to that vessel by NMFS.

FIGURE 1



(e) It shall be unlawful for any person to remove the metal tag affixed to the tuna in paragraph (d) of this section until the fish is either cut into portions or sold for export from the United States. Such tag shall be removed from tuna packed for export, and attached to the container holding the fish until it is shipped from the United States. In addition, the tag number must be written indelibly on the outside of the container.

(f) It shall be unlawful for any person to knowingly purchase, or have in possession, any Atlantic bluefin tuna taken in violation of this subpart.

§ 285.18 Reporting requirements.

(a) Reports and records required by this section shall be sent to: Regional Director, Northeast Region, National Marine Fisheries Service, Federal Building, 14 Elm Street, Gloucester, Massachusetts 01930. All tags, forms, and logbooks referred to in this § 285.18 may be obtained by writing to the same address.

(b) It shall be unlawful for any dealer to fail to maintain and forward on a weekly basis, on forms available from the National Marine Fisheries Service, a record of activities involving all Atlantic bluefin tuna handled during the reporting period. Such record shall include numbers of fish, disposition (names, addresses and, where applicable, country of destination), source (names addresses and, where applicable, country of origin), metal tag numbers (where applicable), round or dressed weight (by individual fish for giant tuna), and any other information requested by the Regional Director.

(c) It shall be unlawful for an owner or master of any vessel certified under § 285.20 and fishing for giant tuna to fail to maintain an accurate record of operations in a logbook provided by the NMFS. One of the logsheets is to be returned to the Regional Director at the end of each month during the season. Such record shall show, for each week that the vessel was engaged in fishing for giant tunas, the date, number, round or dressed weight and fork length of the giant tuna landed, type of gear used, area fished, metal tag numbers used, and the amount of time fished. In the case of purse seine vessels, the record shall show the information for each set made rather than for each month.

(d) It shall be unlawful for an owner or master of any vessel certified under § 285.20, and taking Atlantic bluefin tuna under the provisions of § 285.13(b)(1), to fail to report each taking within 48 hours by completing and returning one of the cards provided for this purpose in the logbook. Each report shall show the Atlantic bluefin tuna vessel certificate number, metal tag number affixed to the fish

the date landed, the port where landed, the round or dressed weight, fork length, gear used and area where caught. Vessels participating in special NMFS statistical programs may be exempt from the logging requirements of this section. Requests for exemption should be made to the Regional Director.

(e) It shall be unlawful for the owner or master of any purse seine vessel certified under § 285.20, to fail to maintain an accurate record of operations in a logbook provided by the Regional Director, Northeast Region. Such record shall show, for each day that the vessel was engaged in fishing the date, number of sets, location, and approximate weight of fish landed. For giant tuna, individual weights and metal tag numbers also must be recorded.

(f) It shall be unlawful for any master or owner of any purse seine vessel certified under § 285.20 to offload any Atlantic bluefin tuna taken pursuant to this subpart without first arranging to have the vessel inspected by an agent of the NMFS. Arrangements for such inspection must be made at least 12 hours prior to offloading, by calling 617-281-3600, extension 252.

(g) It shall be unlawful for the owner or the designated representative of any purse seine vessel certified under § 285.20 to fail to notify the NMFS of its catch of tuna by 8 p.m. every day while engaged in fishing. Such reports shall be made by telephoning (617) 992-7711. The call will be recorded automatically. The report shall include the name of the person calling, the name of the vessel, the Atlantic bluefin tuna vessel certificate number, and the estimated catch of tuna by weight on board the vessel at the time the call is made.

(h) It shall be unlawful for any person, master or owner of any vessel fishing for or catching bluefin tuna to fail to report the taking of any tagged bluefin tuna under a bona fide tag and release program conducted by the NMFS bluefin tuna under a bona fide tag and release program conducted by the NMFS or its contractors.

§ 285.19 Presumptions

For any Atlantic bluefin tuna which is less than or in excess of the lengths set forth herein, there shall be a rebuttable presumption that such Atlantic bluefin tuna correspondingly weight less than or in excess of, as the case may be, the appropriate associated weights. Those lengths and associated weights are given both for whole fish and equivalent lengths for beheaded fish. All measurements must be taken in a straight line from the tip of the snout (or the middle of the gill-arch if the fish has been beheaded) to the fork of the tail.

Weights: 14 lbs (6.4 kg), 115 lbs (53.3 kg), 300 lbs (136.4 kg).
Head on lengths: 26" (66 cm), 55" (141 cm), 73" (185 cm).
Heads off—equivalent lengths: 18" (46 cm), 39" (100 cm), 53" (135 cm).

§ 285.20 Certification.

(a) The owner of any vessel which fishes for giant tuna and the owner of any purse seine vessel which fishes for Atlantic bluefin tuna within the regulatory area must first obtain a certificate for that purpose.

(b) To be eligible for a certificate, a fishing vessel must be properly documented under the laws of the United States, or registered under State law.

(c) Certificates may be obtained on submission of an application form, obtainable from the NMFS, specifying the name(s) and address(es) of the vessel owner(s), the name of the vessel, official number(s), capacity (if commercial), and home port of the vessel. The form shall be submitted to the Regional Director, National Marine Fisheries Service, 14 Elm Street, Gloucester, MA 01930, who shall issue the required certificate without fee. The certificate will remain in effect until the vessel is destroyed, sold, or transferred to another owner, returned, or revoked pursuant to paragraph (e) of this section: *Provided however*, That owners of purse seine vessels, certified under this section, must comply with the provisions of § 285.16 each year.

(d) It shall be unlawful to fail to carry such certificate at all times on board the vessel for which it was issued. The certificate shall be subject to inspection at reasonable times by authorized officials.

(e) Certificates issued under this section may be revoked by the Regional Director for violations of the provisions of this subpart. Revocation will be in accordance with the hearing procedures referenced in § 285.6.

(f) It shall be unlawful for any vessel, required to have a certificate pursuant to paragraph (a) of this section to fish for Atlantic bluefin tuna without a valid certificate.

§ 285.21 Tag and release permits.

It shall be unlawful for any angler to catch and release a giant tuna without first tagging such tuna with a plastic tag supplied by the NMFS. Such catching, tagging, and releasing must be conducted from a vessel which has applied for, and been issued a giant bluefin tuna tag and release permit pursuant to paragraph (b) of this section.

(b) Owners of vessels certified under § 285.20 who also desire to obtain a giant blue fin tuna tag and release permit for their vessel should submit their application in writing to the Center Director, Southeast Fisheries

Center, NMFS, 75 Virginia Beach Drive, Miami, Florida 33149, who will issue the permit along with appropriate tags and detailed instructions for the tagging procedure. Such application must include the name of the vessel, official Coast Guard and/or State number(s), names of the owner and master, fishing certificate number, and the general area(s) in which the tag and release activity will be carried out.

(c) It shall be unlawful for any person to tag and release giant bluefin tuna without having obtained a tag and release permit pursuant to this section, and a certificate pursuant to § 285.20.

[FR Doc. 78-17037 Filed 6-20-78; 8:45 am]

proposed rules

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

[3410-05]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

[7 CFR Part 1446]

1978 PEANUT PROGRAM

Proposed Amendment to the 1978-Crop Peanut Warehouse Storage Loan Supplement

AGENCY: Commodity Credit Corporation, U.S. Department of Agriculture.

ACTION: Proposed Rule.

SUMMARY: Commodity Credit Corporation (CCC), has previously announced the national level of price support for 1978-crop quota and additional peanuts. CCC now proposes to make determinations and issue regulations for 1978-crop peanuts adjusting loan and purchase rates for quota and additional peanuts for differences in type, quality, location, and other factors. This notice invites comments on these proposed determinations.

DATES: Written comments must be received on or before July 21, 1978, in order to be sure of consideration.

ADDRESS: Send comments to Acting Director, Price Support and Loan Division, ASCS, U.S. Department of Agriculture, Room 3741 South Building, P.O. Box 2415, Washington, D.C. 20013.

FOR FURTHER INFORMATION CONTACT:

Thomas A. VonGarlem, ASCS (202) 447-7954.

SUPPLEMENTARY INFORMATION: The 1978-Crop Peanut Loan and Purchase Program is authorized by the Agricultural Act of 1949, as amended, (hereinafter referred to as the "Act"), including amendments contained in the Food and Agriculture Act of 1977, and the Commodity Credit Corporation Charter Act, as amended. The program is intended to stabilize market prices and to protect producers, handlers, processors, and consumers. A 1978-Crop Peanut Warehouse Storage Loan Supplement, published by CCC in the FEDERAL REGISTER on May 18, 1978 (43 FR 21425), established the national average support values for the 1978 crop at \$420 per ton for quota peanuts and \$250 per ton for additional peanuts. Section 403 of the Act provides that appropriate adjustments may be made in type,

quality, location and other factors. The average of any such adjustment shall, so far as practicable, be equal to the level of support for peanuts for the applicable crop year.

Accordingly, CCC proposes to make determinations and issue regulations for 1978-crop peanuts adjusting loan and purchase rates for quota and additional peanuts for differences in type, quality, location and other factors.

The proposed method of determining the 1978-crop differentials is basically the same as for the 1977 crop. Using this method, the sound mature kernel (SMK) value of Virginia type peanuts would be 2 percent above and Spanish one-half percent above the SMK value of runner type peanuts. The adjustments for quality, location and other factors will remain the same as for the 1977 crop with the exception of a discount for segregation 3 peanuts. Each of the three area sheller organizations has formally requested that the 1977 crop differentials be maintained unchanged in 1978, the first year under the new peanut legislation.

PROPOSED RULE

It is proposed to amend 7 CFR Part 1446 by adding §§ 1446.38 through 1446.40 to read as follows:

Sec. 1446.38 Average support values by type for quota peanuts.
1446.39 Calculation of support values for quota peanuts.
1446.40 Calculation of support values for additional peanuts.

AUTHORITY: Secs. 4 and 5, 62 Stat. 1070, as amended (15 U.S.C. 714 b and c); secs. 101, 108, 401, 63 Stat. 1051, as amended (7 U.S.C. 1441, 1421, 1445c).

§ 1446.38 Average support values by type for quota peanuts.

The support values by type per average grade ton of 1978-crop quota peanuts are:

Type	Per average grade ton
Virginia	\$420.74
Runner	422.88
Spanish	405.25
Valencia:	
Southwest area—suitable for cleaning and roasting	420.74
Southwest area—not suitable for cleaning and roasting	405.25
Areas other than Southwest	405.25

§ 1446.39 Calculation of support values for quota peanuts.

The support price per ton for 1978-crop quota peanuts of a particular

type and quality shall be calculated on the basis of the following rates, premiums and discounts (with no value assigned to damaged kernels), except that the minimum support value for any lot of eligible peanuts of any type shall be 8 cents per pound of kernels in the lot:

(a) *Kernel value per ton excluding loose shelled kernels.* (1) The price per ton for each percent of sound mature and sound split kernels shall be:

Type	Per percent
Virginia	\$6.031
Runner	5.913
Spanish	5.943
Valencia:	
Southwest area—suitable for cleaning and roasting	6.342
Southwest area—not suitable for cleaning and roasting	5.943
Areas other than Southwest	5.943

(2) The price per ton for each percent of other kernels shall be:

All types

(3) The premium per ton for each percent of extra large kernels in Virginia type peanuts shall be:

Type	Per percent
Virginia extra large kernels	\$0.45

However, no premium for extra large kernels shall be applicable to any lot of such peanuts containing more than 4 percent damaged kernels.

(b) *Value of loose shelled kernels per pound.* The price for each pound of loose shelled kernels shall be:

	Per pound
All types.....	\$0.07

(c) *Foreign material discount.* For all types of peanuts, the discount for each full 1 percent foreign material in excess of 4 percent and not over 10 percent shall be \$1 per ton.

(d) *Sound split kernel discount.* For all types of peanuts, the discount per ton for sound split kernels shall be as follows:

Peanuts containing sound split kernels of—	Discount
1 through 4 pct	None
5 pct	\$1.00
6 pct	1.60
Each percent of sound split kernels in excess of 6 pct	.80

(e) *Damaged kernel discount.* For all types of peanuts, the discount per ton for damaged kernels shall be as follows:

Peanuts containing damaged kernels of—	Discount
1 pct	None
2 pct	\$3.40

Peanuts containing damaged kernels of—	Discount
3 pct	\$7.00
4 pct	11.00
5 pct	25.00
6 pct	40.00
7 pct	60.00
8 to 9 pct	80.00
10 pct and over	100.00

(f) *Price adjustment for peanuts sampled with other than a pneumatic sampler.* The support price per ton for Virginia type peanuts sampled with other than a pneumatic sampler shall be reduced by \$0.10 per percent sound mature and sound split kernels.

(g) *Mixed type discount.* Individual lots of farmer stock peanuts containing mixtures of two or more types in which there is less than 90 percent of any one type will be supported at a rate which is \$10 per ton less than the support price applicable to the type in the mixture having the lowest support price.

(h) *Location adjustments to support prices.* Farmers stock peanuts delivered to the associations for price support advances in the States specified, where peanuts are not customarily shelled or crushed, shall be discounted as follows:

	Per ton
(1) Arizona	\$25
(2) Arkansas	10
(3) California	33
(4) Louisiana	7
(5) Mississippi	10
(6) Missouri	10
(7) Tennessee	25

(i) *Virginia type peanuts.* Virginia type peanuts, to receive peanut price support as Virginia type, must contain 40 percent or more "fancy" size peanuts, as determined by a presizer with the rollers set at $\frac{3}{4}$ inch space. Virginia type peanuts so determined to contain less than 40 percent "fancy" size peanuts will be supported (but not classed) as though they were runner type.

(j) *Discount for Aspergillus flavus mold (Segregation 3 peanuts).* There will be no discount applied to Segregation 3 peanuts for A. flavus mold when such peanuts are placed under loan at the additional loan rate. Should such peanuts later be placed under quota loan under § 1446.16 of these regulations, they will be discounted at the rate of \$50 per net ton from the quota price support value.

§ 1446.40 Calculation of support values for additional peanuts.

The support price per ton for 1978-crop additional peanuts of a particular type and quality shall be calculated on the basis of 59.5 percent of the same rates, premiums and discounts as are applicable to quota peanuts. This percentage was computed by dividing the national average support rate per ton for quota peanuts into the national average support rate per ton for additional peanuts.

Before setting final differentials, consideration will be given to any rele-

vant data, views, recommendations or alternative proposals which are submitted in writing to the Acting Director of the Price Support and Loan Division, ASCS-USDA, by July 21, 1978. All written submissions made pursuant to this notice will be made available for inspection from 8:15 a.m. to 4:45 p.m., Monday through Friday, in Room 3741-South Building.

Signed in Washington, D.C. on June 16, 1978.

RAY FITZGERALD,
Executive Vice President,
Commodity Credit Corporation.
[FR Doc. 78-17112 Filed 6-20-78; 8:45 am]

[6750-01]

FEDERAL TRADE COMMISSION

[16 CFR Part 453]

FUNERAL INDUSTRY PRACTICES

Publication of Staff Report on Proposed Trade Regulation Rule

AGENCY: Federal Trade Commission.

ACTION: Publication of staff report.

SUMMARY: On August 18, 1977, the Director of the Bureau of Consumer Protection published in the FEDERAL REGISTER, 42 FR 41651, notice of publication of the Presiding Officer's report on the proposed trade regulation rule on funeral industry practices.

The Bureau of Consumer Protection's staff report which summarizes and analyzes the evidence in its rule-making proceeding on funeral industry practices and makes recommendations as to the final action which the Commission should take has now been made public and placed on Public Record No. 215-46.

DATE: The publication of the staff report commences the final 60-day comment period on both the staff report and the Presiding Officer's report. Comments will be accepted for the public record if received on or before August 21, 1978.

ADDRESSES: Requests for copies of the report should be sent to: Public Reference Branch, Room 130, Federal Trade Commission, 6th Street and Pennsylvania Avenue, NW., Washington, D.C. 20580.

Comments should be sent to: Secretary, Federal Trade Commission, 6th St. & Pennsylvania Ave., NW., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT:

Scott Klurfeld, Room 279, Federal Trade Commission, address above, 202-523-3427.

SUPPLEMENTARY INFORMATION: Pursuant to § 1.13(g) of the Commission's rules of practice, the staff has

made its report, containing its summary and analysis of the record and its recommendations as to the form of the final rule, to the Commission. The report is now available for public comment under the Commission's rules of practice, § 1.13(h). Requests for copies of the report should be sent to the Public Reference Branch, Room 130, Federal Trade Commission, 6th Street and Pennsylvania Avenue, NW., Washington, D.C. 20580.

Comments will be accepted on both the staff report and the Presiding Officer's report (which has previously been made public, 42 FR 41651, August 18, 1977), for a period of 60 days ending on August 21, 1978. Comments should be identified as "Comment on Presiding Officer and Staff Reports—Funeral Industry Practices TRR," and addressed to the Secretary, Federal Trade Commission, 6th Street and Pennsylvania Avenue NW., Washington, D.C. 20580, and submitted, when feasible, in five copies.

The Commission cautions all concerned that the staff report has not been reviewed or adopted by the Commission, and that its publication should not be interpreted as reflecting the present views of the Commission or any individual member thereof.

Approved: June 15, 1978.

ALBERT H. KRAMER,
Director, Bureau of
Consumer Protection.

[FR Doc. 78-17096 Filed 6-20-78; 8:45 am]

[4510-27]

DEPARTMENT OF LABOR

Employment Standards Administration

[20 CFR Part 718]

FEDERAL MINE SAFETY AND HEALTH ACT OF 1977, AS AMENDED

Standards for Determining Coal Miner's Total Disability or Death Due to Pneumoconiosis

AGENCY: Employment Standards Administration, Labor.

ACTION: Notice of continuation of public hearing on proposed rulemaking.

SUMMARY: This document announces that an additional public hearing will be held on the proposed rules relating to standards for determining coal miner's total disability or death due to pneumoconiosis.

DATES: Persons wishing to appear at the hearing should contact the person designated below on or before June 30, 1978.

Hearing will be continued on July 10, 1978.

Written comments should be sent on or before July 25, 1978.

ADDRESSES: Hearing location: Mil-lard High School Auditorium U.S.

Route 460 (13 miles south of Pikeville, KY.)

Written comments should be sent to: Robert B. Dorsey, Chief, Branch of Claims Determination, Division of Coal Mine Workers' Compensation, Employment Standards Administration, U.S. Department of Labor, Room C-3526, NDOL Building, 200 Constitution Avenue NW., Washington, D.C. 20210, Telephone: 202-523-6727.

FOR FURTHER INFORMATION CONTACT:

Robert B. Dorsey (202) 523-6727.

SUPPLEMENTARY INFORMATION: The public hearings on this proposed rulemaking announced in volume 43 of the Federal Register on April 25, 1978 at page 17722 will be continued on July 10, 1978, beginning at 10 a.m. in the auditorium of the Millard High School, located on U.S. Route 460, 13 miles south of Pikeville, Kentucky.

Persons wishing to appear and present their views on the proposed revision of Part 718 at this hearing should contact the person designated below by letter, telegram or telephone on or before June 30, 1978. Persons desiring to testify should submit a listing, and, if practicable, copies of resources and references upon which they will rely in support of their testimony at least one week prior to the hearing. Individuals wishing to testify will be limited to 15 minutes each. Groups will be allotted a maximum of 30 minutes each.

Written comments may also be submitted by interested persons on or before July 25, 1978. Such written comments will be available for inspection between the hours of 8:15 a.m. and 4:45 p.m. at the office indicated below: Robert B. Dorsey, Chief, Branch of Claims Determination, Division of Coal Mine Workers' Compensation, Employment Standards Administration, U.S. Department of Labor, Room C-3526, NDOL Building, 200 Constitution Avenue NW., Washington, D.C. 20210, Telephone: 202-523-6727.

Dated: June 17, 1978.

DONALD E. ELISBURG,
Assistant Secretary for Employment Standards, U.S. Department of Labor.

[FR Doc. 78-17246 Filed 6-20-78; 8:45 am]

[6820-32]

ARMS CONTROL AND DISARMAMENT AGENCY

[22 CFR Part 603]

PRIVACY ACT POLICY AND PROCEDURES

Termination of Proposed Rulemaking

AGENCY: U.S. Arms Control and Disarmament Agency.

ACTION: Withdrawal of Proposed Rule.

SUMMARY: The U.S. Arms Control and Disarmament Agency is withdrawing a proposal to amend its Privacy Act Policy and Procedures regulations. The Agency had proposed to amend its regulations to exempt from disclosure a certain part of the system of records being established to administer a fellowship grant program. As a result of negative comments received and the Agency's own review, the Agency has decided not to adopt the proposed rule.

EFFECTIVE DATE: Effective June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

Mr. Charles R. Oleszycki, Office of the General Counsel, U.S. Arms Control and Disarmament Agency, Washington, D.C. 20451, 202-632-0760.

On April 21, 1978, the U.S. Arms Control and Disarmament Agency published in the FEDERAL REGISTER (43 FR 17002-17003) a notice of proposed rulemaking to amend 22 CFR Part 603. The proposed rule would have amended the Agency's regulations to exempt from disclosure under subsection (k)(5) of the Privacy Act (5 U.S.C. 552a(k)(5)) the identity of an individual who makes a specific recommendation regarding the merits of an application for a fellowship grant to study arms control subjects.

All comments submitted with respect to the proposed rule were given due consideration. As a result of the negative comments received and the Agency's own review, the Agency has decided not to adopt the proposed rule. Accordingly, the notice of proposed rulemaking which was published in the FEDERAL REGISTER on April 21, 1978 (43 FR 17002-17003) is hereby withdrawn. The Agency's existing Privacy Act Policy and Procedures regulations are therefore unchanged.

Dated: June 14, 1978.

JAMES T. HACKETT,
Administrative Director.

[FR Doc. 78-17188 Filed 6-20-78; 8:45 am]

[6560-01]

ENVIRONMENTAL PROTECTION AGENCY

[40 CFR Part 204]

[FRL 914-3]

NOISE EMISSION STANDARDS; PAVEMENT BREAKERS AND ROCK DRILLS

Meeting

AGENCY: Environmental Protection Agency.

ACTION: Notice of Meeting.

SUMMARY: By this notice the Environmental Protection Agency (EPA) announces a meeting to be held in Washington, D.C. concerning findings related to the technological feasibility of quieting pavement breakers and rock drills and the attendant costs of various noise abatement schemes. Pavements breakers and rock drills were identified as a major noise source under authority of section 5(b) of the Noise Control Act of 1972 [42 USC 4904] on February 3, 1977 [42 FR 6722]. The purpose of this meeting is to encourage public participation in the rulemaking process by soliciting comments on the technological data developed by the EPA for these products.

DATE: July 7, 1978.

ADDRESS: Office of Noise Abatement and Control (AW-490), 1921 Jefferson Davis Highway, Room 1112, CM#2, Arlington, Virginia.

FOR FURTHER INFORMATION:

Questions regarding the meeting should be addressed to Mr. J. Craig Wyvill, Project Officer, Standards and Regulations Division, (AW-490), U.S. Environmental Protection Agency, Washington, D.C. 20460. (703) 557-2710.

SUPPLEMENTARY INFORMATION: EPA considers this notice to be other than "action of the Administrator of the Environmental Protection Agency in promulgating any standard or regulation under section 6" of the Act that is ripe for judicial review under section 16(a) of the Act [42 U.S.C. 4905]. The opportunity for such judicial review will arise if and when the Administrator takes action of promulgation under section 6 [42 U.S.C. 4905].

If practicable attendees are asked to contact Ms. Rita Kerner at (703) 557-2710 in advance of the meeting date.

Dated: June 15, 1978.

EDWARD F. TUERK,
Acting Assistant Administrator
for Air and Waste Management.

[FR Doc. 78-17152 Filed 6-20-78; 8:45 am]

[7536-01]

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Humanities

[45 CFR Part 1170]

FEDERALLY ASSISTED PROGRAMS

Nondiscrimination on the Basis of Handicap;
Extension of Comment Period

AGENCY: National Endowment for the Humanities.

ACTION: Extension of comment period on proposed regulations.

SUMMARY: On April 14, 1978 the National Endowment for the Humanities

PROPOSED RULES

published proposed regulations in the **FEDERAL REGISTER** (43 FR 15737) and invited all interested persons to submit comments by June 12, 1978. These proposed regulations provided that no otherwise qualified handicapped person in the United States would solely because of his handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the National Endowment for the Humanities. In an effort to encourage additional public comment, the comment period is being extended to September 1, 1978. Copies of the proposed regulations are available on request.

DATE: Comments must be received on or before September 1, 1978.

ADDRESS: National Endowment for the Humanities, Office of the General Counsel, 806 15th Street, N.W., Room 1000, Washington, D.C. 20506.

FOR FURTHER INFORMATION CONTACT:

Joseph R. Schurman, General Counsel, National Endowment for the Humanities, 202-724-0367.

Dated: June 16, 1978.

JOSEPH D. DUFFEY,
*Chairman, National
Endowment for the Humanities.*

[FR Doc.78-17098 Filed 6-20-78; 8:45 am]

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(b) *Moisture.* Except as provided under paragraph (e) *Seed peanuts*, no handler shall receive or acquire peanuts containing more than 10 percent moisture: *Provided*, That peanuts of a higher moisture content may be received and dried to not more than 10 percent moisture prior to storing or milling. On farmers stock, such moisture determinations shall be rounded to the nearest whole number; on shelled peanuts, the determinations shall be carried to the hundredths place and shall not be rounded to the nearest whole number.

(c) *Damage.* For the purpose of determining damage, other than concealed damage, on farmers stock peanuts, all percentage determinations shall be rounded to the nearest whole number.

(d) *Loose shelled kernels.* Handlers may separate from the loose shelled kernels received with farmers stock peanuts, those sizes of kernels which ride screens with the following slot openings: Runner— $\frac{1}{4}$ x $\frac{3}{4}$ inch; Spanish and Valencia— $\frac{1}{4}$ x $\frac{3}{4}$ inch; Virginia— $\frac{1}{4}$ x 1 inch. If so separated, those loose shelled kernels which do not ride such screens, shall be removed from the farmers stock peanuts and shall be held separate and apart from other peanuts and disposed of for inedible use as provided in paragraph (g) of the Outgoing Quality Regulation. If the kernels which ride the prescribed screen are not separated, the entire amount of loose shelled kernels shall be removed from farmers stock peanuts and shall be so held and so delivered or disposed of. The loose shelled kernels which ride the screens may be included with shelled peanuts prepared by the handler for inspection and sale for human consumption. For the purpose of this regulation, the term "loose shelled kernels" means peanut kernels or portions of kernels completely free of their hulls and found in deliveries of farmers stock peanuts.

(e) *Seed peanuts.* A handler may acquire and deliver for seed purposes farmers stock peanuts which meet the requirements of Segregation 1 peanuts. If the seed peanuts are produced under the auspices of a State agency which regulates or controls the production of seed peanuts, they may contain up to 3 percent damaged kernels and have visible *Aspergillus flavus*, and, in addition, the following moisture content, as applicable:

(1) for seed peanuts produced in the Southeastern and Virginia-Carolina areas, they may contain up to 11 percent moisture except Virginia type peanuts which are not stacked at harvest time may contain up to 12 percent moisture; and (2) for seed peanuts produced in the Southwestern area, they may contain up to 10 percent moisture.

However, any such seed peanuts with visible *Aspergillus flavus* shall be stored and shelled separate from other peanuts, and any residual not used for seed shall not be used or disposed of for human consumption unless it is determined to be wholesome by chemical assay for aflatoxin. A handler whose operations may include custom seed shelling, may receive, custom shell, and deliver for seed purposes farmers stock peanuts and such peanuts shall be exempt from the Incoming Quality Regulation requirements and therefore shall not be required to be inspected and certified as meeting the Incoming Quality Regulation requirements and the handler shall report to the Committee as requested the weight of each lot of farmers stock peanuts received on such basis on a form furnished by the committee. However, handlers who acquire seed peanut residuals from their custom shelling of uninspected (farmers stock) seed peanuts, or from another sheller or producer who has or has not signed the marketing agreement shall hold and/or mill such residuals separate and apart from other receipts or acquisitions of the handler and such residuals which meet Outgoing Quality Regulation requirements may be disposed of by sale to human consumption outlets and any portion not meeting such requirements shall be disposed of by sale as peanuts failing to meet human consumption requirements pursuant to paragraph (i) of the Outgoing Quality Regulation.

(f) *Oilstock.* Handlers may acquire for disposition to domestic crushing or export, to countries other than Canada and Mexico, farmers stock peanuts of a lower quality than Segregation 1 or grades or sizes of shelled peanuts or cleaned inshell peanuts which fail to meet the requirements for human consumption. The provision of section 31 of the marketing agreement restricting acquisitions of such peanuts to handlers who are crushers is hereby modified to authorize all handlers to act as accumulators and acquire, from other handlers or nonhandlers, Segregation 2 or 3 farmers stock peanuts. Handlers may also acquire from other handlers shelled or fragmented peanuts originating from Segregation 2 or 3 farmers stock, or the entire mill production of shelled or fragmented peanuts from Segregation 1 farmers stock, or lots of shelled peanuts, originating from Segregation 1 peanuts and which have been positive lot identified as specified in paragraph (d) of the Outgoing Quality Regulation, which failed to meet the requirements for human consumption pursuant to paragraph (a) of the Outgoing Quality Regulation: *Provided*, That all such acquisitions are held separate from Segregation 1 peanuts acquired for milling or from

edible grades of shelled or milled peanuts. Handlers may commingle the Segregation 2 and 3 peanuts or keep them separate and apart as provided in paragraph (j) of the Outgoing Quality Regulation. Further disposition or commingling of such peanuts shall be only as provided in paragraph (i) of the Outgoing Quality Regulation. Handlers who acquire farmers stock peanuts of a lower quality than Segregation 1 or grades or sizes of shelled peanuts or cleaned inshell peanuts which fail to meet the requirements for human consumption shall report such acquisitions as prescribed by the Committee. To be eligible to receive or acquire Segregation 2 or 3 farmers stock peanuts and shelled or "fragmented" peanuts originating therefrom, a handler shall pay to the Area Association a fee for the purpose of covering cost of supervision of the disposition of such peanuts.

(g) *Segregation 2 and 3 control.* To assure the removal from edible outlets of any lot of peanuts determined by Federal or Federal-State Inspection Service to be Segregation 2 or Segregation 3, each handler shall inform each employee, country buyer, commission buyer or like person through whom he receives peanuts, of the need to receive and withhold all lots of Segregation 2 and Segregation 3 peanuts from milling for edible use. If any lot of Segregation 2 or Segregation 3 farmers stock peanuts is not withheld but returned to the producer, the handler shall cause the Inspection Service to forward immediately a copy of the inspection certificate on the lot to the designated office of the handler and a copy to the Committee which shall be used only for information purposes.

(h) *Farmers Stock Storage and Handling Facilities.* Handlers shall report to the Committee, on a form furnished by the Committee, all storage facilities or contract storage facilities which they will use to store acquisitions of 1978 crop Segregation 1 farmers stock peanuts and all such storage facilities must be reported prior to storing of any such handler acquisitions. Handlers shall also report to the Committee, the locations at which they will receive or acquire 1978 crop farmers stock peanuts. All such storage facilities shall have reasonable and safe access to allow for inspection of the facility and its contents. All such storage facilities must be of sound construction, in good repair, built and equipped so as to provide suitable storage and sufficient safeguards to prevent moisture condensation and provide adequate protection for farmers stock peanuts. All breaks or openings in the walls, floors or roofs of the facilities shall have been repaired so as to keep out moisture. Elevator pits and wells must be kept dry and free of moisture at all times. Insect control

procedures must be carried out in such a manner as to prevent undesirable moisture in the storage facilities. Any conditions in warehouses, elevators, pits, and other farmers stock handling equipment conducive to the growth or spread of *Aspergillus flavus* mold shall be corrected to the satisfaction of the Committee. The Committee may make periodic inspections of farmers stock storage and handling facilities and farmers stock peanuts stored in such facilities to determine if handlers are adhering to these requirements.

(i) *Shelled peanuts*. Handlers may acquire from other handlers, for remilling and subsequent disposition to human consumption outlets, shelled peanuts (which originated from "Segregation 1 peanuts") that fail to meet the requirements specified for human consumption in paragraph (a) of the Outgoing Quality Regulation. Any lot of such peanuts must be accompanied by a valid inspection certificate for grade factors, an aflatoxin assay certificate and must be positive lot identified. Transactions made in this manner shall be reported to the Committee by both the buyer and seller on a form provided by the Committee. Peanuts acquired pursuant to this paragraph shall be held and milled separate and apart from other receipts or acquisitions of the receiving handler and further disposition shall be regulated by paragraph (h)(1) of the Outgoing Quality Regulation.

OUTGOING QUALITY REGULATION—1978 CROP PEANUTS

The following modify or are in addition to the peanut marketing agree-

ment restrictions of section 32 on handler disposition of 1978 crop peanuts:

(a) *Shelled peanuts*. No handler shall ship or otherwise dispose of shelled peanuts for human consumption unless appropriate samples for pretesting have been drawn in accordance with paragraph (c) of this regulation, or which if of a category not eligible for indemnification are not certified "negative" as to aflatoxin, or which contain more than (1) a total of 1.50 percent unshelled peanuts and damaged kernels; (2) a total of 3.00 percent unshelled peanuts and damaged kernels and minor defects; (3) 9.00 percent moisture in the Southeastern and Southwestern area, or 10.00 percent moisture in the Virginia-Carolina area; or (4) 0.10 percent foreign material in peanuts "with splits" and peanuts of U.S. grade, other than U.S. splits, or 0.20 percent foreign material in U.S. splits and other edible quality peanuts not of U.S. grade. The lot size of such peanuts in bulk or bags shall not exceed 200,000 pounds. Fall through in such peanuts shall not exceed 4 percent except that in peanuts other than "No. Two Virginia" fall through consisting of either split and broken kernels or whole kernels shall not exceed 3 percent and fall through of whole kernels in Runners or Virginias "with splits" shall not exceed 3 percent or 2 percent on Spanish "with splits". The term "fall through" as used herein, shall mean sound split and broken kernels and whole kernels which pass through specified screens. Screens used for determining fall through in peanuts covered by this paragraph (a) shall be as follows:

Type	Screen openings	
	Split and broken kernels	Whole kernels
Runners.....	1 3/4 inch round.....	1 3/4 x 3/4 inch slot.
Spanish and Valencia.....	1 3/4 inch round.....	1 3/4 x 3/4 inch slot.
Virginia except "No. 2 Virginia".....	1 3/4 inch round.....	1 3/4 x 1 inch slot.
"No. 2 Virginia".....	1 3/4 inch round only for split, broken, and whole kernels.	

("No. Two Virginia" means Virginia type peanuts that meet requirements of U.S. No. 2 Virginia grade peanuts except for tolerances for: (1) damage or unshelled peanuts and minor defects; and (2) sound peanuts and portions of peanuts which pass through the prescribed screen. Such tolerances shall be the same as those listed heretofore in this paragraph. Runners, Spanish or Virginia "with splits" means shelled peanuts which do not contain more than (a) 15 percent splits, (b) for Spanish 2.00 percent whole kernels which will pass through 1 3/4 x 3/4 slot screen for Runners 3.00 percent whole kernels which will pass

through 1 3/4 x 3/4 inch slot screen; and for Virginias 3.00 percent whole kernels which will pass through a 1 3/4 x 1 inch slot screen, and (c) otherwise meet specification of U.S. No. 1 grade).

(b) *Cleaned inshell peanuts*. No handler shall ship or otherwise dispose of cleaned inshell peanuts for human consumption: (1) with more than 1.00 percent kernels with mold present unless a sample of such peanuts, drawn by an inspector of the Federal or Federal-State Inspection Service, was analyzed chemically by laboratories approved by the Committee or by a U.S. Department of Agriculture laboratory (hereinafter referred to as

"USDA laboratory") and found to be wholesome relative to aflatoxin; (2) with more than 2.00 percent peanuts with damaged kernels; (3) with more than 10.00 percent moisture; or (4) with more than 0.50 percent foreign material. The lot size of such peanuts in bags or bulk shall not exceed 200,000 pounds.

(c) *Pretesting shelled peanuts*. Each handler shall cause appropriate samples of each lot of edible quality shelled peanuts to be drawn by an inspector of the Federal or Federal-State Inspection Service. The gross amount of peanuts drawn shall be large enough to provide for a grade analysis, for a grading check-sample, and for three 48-pound samples for aflatoxin assay. The three 48-pound samples shall be designated by the Federal or Federal-State Inspection Service as "Sample #1", "Sample #2", and "Sample #3" and each sample shall be placed in a suitable container and "positive lot identified" by means acceptable to the Inspection Service and the Committee. Sample #1 may be prepared for immediate testing or Sample #1, Sample #2, and Sample #3 may be returned to the handler for testing at a later date. However, before shipment of the lot to the buyer (receiver), the handler shall cause Sample #1 to be ground by the Federal or Federal-State Inspection Service or a USDA or designated laboratory in a "subsampling mill" approved by the Committee. The resultant ground subsample from Sample #1 shall be of a size specified by the Committee and be designated as "Subsample 1-AB" and at the handler's or buyer's option, a second subsample may also be extracted from Sample #1. It shall be designated as "Subsample 1-CD". Subsample 1-CD may be sent as requested by the handler or buyer, for aflatoxin assay, to a laboratory listed on the most recent Committee list of approved laboratories that can provide analyses results on such samples in 36 hours. Subsample 1-AB shall be analyzed only in USDA or designated laboratories. Both Subsamples 1-AB and 1-CD shall be accompanied by a notice of sampling signed by the inspector containing, at least, identifying information as to the handler (shipper), the buyer (receiver) if known, and the positive lot identification of the shelled peanuts. A copy of such notice covering each lot shall be sent to the Committee office.

The Samples designated as Sample #2 and Sample #3 shall be held as aflatoxin check-samples by the Inspection Service or the handler and shall not be included in the shipment to the buyer until the analyses results from Sample #1 are known. Upon call from

the USDA or designated laboratory or the Committee, the handler shall cause Sample #2 to be ground by the Inspection Service in a "subsampling mill." The resultant ground subsample from Sample #2 shall be of the size specified by the Committee and it shall be designated as "Subsample 2-AB". Upon call from the USDA or designated laboratory or the Committee, the handler shall cause Sample #3 to be ground by the Inspection Service in a "subsampling mill." The resultant ground subsample from Sample #3 shall be of the size specified by the Committee and it shall be designated as "Subsample 3-AB". Subsample 2-AB and Subsample 3-AB shall be analyzed only in USDA or designated laboratories and each shall be accompanied by a notice of sampling. A copy of each such notice shall be sent to the Committee office and the cost of delivery of Subsamples 2-AB and 3-AB to the laboratory and the cost of assay on them shall be at the Committee's expense.

All costs involved in sampling and testing Subsample 1-CD shall be for the account of the buyer of the lot and at his expense. The cost of assay on Subsample 1-AB and a portion of the cost (specified by the Committee) of drawing the three 48-pound samples, grinding of Sample #1 and preparation and delivery of Subsample 1-AB to the laboratory shall be for the account of the buyer. However, if the handler elects to pay for these costs, he shall charge the buyer the amount specified by the Committee when he invoices the peanuts and, if more than one buyer, on a pro rata basis. Any remaining costs of drawing the three 48-pound samples, grinding of Sample #1 and preparation and delivery of Subsample 1-AB shall be for the account of the handler and shall be shown on the grade analysis certificate covering the lot. When any of the samples have been lost, misplaced, or spoiled and replacement samples are needed, the entire cost of drawing the replacement samples shall be for the account of the handler. The results of each assay shall be reported to the buyer listed on the notice of sampling and, if the handler desires, to the handler. If a buyer is not listed on the notice of sampling, the results of the assay shall be reported to the handler who shall promptly cause notice to be given to the buyer, of the contents thereof, and such handler shall not be required to furnish additional samples for assay.

(d) *Identification.* Each lot of shelled or cleaned inshell peanuts shipped or otherwise disposed of for human consumption shall be identified by positive lot identification procedures. For the purpose of this regulation, "positive lot identification" of a lot of shelled or inshell peanuts is a means of relating the inspection certifi-

cate to the lot covered so that there can be no doubt that the peanuts delivered are the same ones described on the inspection certificate. Such procedure on bagged peanuts shall consist of attaching a lot numbered tag bearing the official stamp of the Federal or Federal-State Inspection Service to each filled bag in the lot. The tag shall be sewed (machine sewed if shelled peanuts) into the closure of the bag except that in plastic bags the tag shall be inserted prior to sealing so that the official stamp is visible. Any peanuts moved in bulk or bulk bins shall have their lot identity maintained by sealing the conveyance and if in other containers by other means acceptable to the Federal or Federal-State Inspection Service and to the Committee. All lost or shelled or cleaned inshell peanuts shall be handled, stored, and shipped under positive lot identification procedures.

(e) *Reinspection.* Whenever the Committee has reason to believe that peanuts may have been damaged or deteriorated while in storage, the Committee may reject the then effective inspection certificate and may require the owner of the peanuts to have a reinspection to establish whether or not such peanuts may be disposed of for human consumption.

(f) *Inter-plant transfer.* Any handler may transfer peanuts from one plant owned by him to another of his plants or to commercial storage, without having such peanuts positive lot identified and certified as meeting quality requirements, but such transfer shall be only to points within the same production area and ownership shall have been retained by the handler. Upon any transferred peanuts being disposed of for human consumption, they shall meet all the requirements applicable to such peanuts.

(g) *Loose shelled kernels, fall through and pickouts.* (1) Loose shelled kernels which do not ride screens with the following slot openings: Runner— $1\frac{1}{4}$ x $\frac{3}{4}$ inch; Spanish and Valencia— $1\frac{1}{4}$ x $\frac{3}{4}$ inch; Virginia— $1\frac{1}{4}$ x 1 inch; and fall through and pickouts shall be disposed of only by sale as domestic oil stock, by crushing or as specified in paragraph (g)(3) hereinafter. For the purpose of this regulation: the term "non-edible quality peanuts" described in this paragraph means loose shelled kernels, fall through, and pickouts; the term "loose shelled kernels" means peanut kernels or portions of kernels completely free of their hulls, either as found in deliveries of farmers stock peanuts or those which fail to ride the screens (U.S. No. 1 screens) in removing whole kernels; the term "fall through" has the same meaning as in paragraph (a) of this regulation; and the term "pickouts" means those peanuts removed at the picking table, by electronic equipment, or otherwise during the milling process.

(2) All loose shelled kernels, fall through and pickouts shall be kept separate and apart from other milled peanuts that are to be shipped into edible channels. Such categories may be kept separate or be commingled in the same lot and shall be bagged in suitable new or clean, used bags or placed in bulk containers acceptable to the Committee. Such peanuts shall be identified by positive lot identification procedures set forth in paragraph (d) but using a red tag, and such peanuts shall be inspected by the Federal or Federal-State Inspection Service and a certification made on each lot as to moisture and foreign material content. Such lot size, whether in bags or bulk, shall not exceed 200,000 pounds.

(3) In addition to disposition outlets specified in paragraph (g)(1), fall through that has been sampled and determined negative as to aflatoxin content may be disposed of for use as wild-life feed or bait for rodents in labeled containers approved by the Committee. Each category of non-edible quality peanuts described in paragraph (g)(1) and identified as prescribed in paragraph (g)(2) may be exported in bulk or bags to countries other than Mexico or Canada pursuant to the provisions prescribed for such disposition in paragraph (1)(1) or (1)(2) of this regulation or they may be moved to another handler for such disposition. Such peanuts may be disposed of to domestic crushing as "unrestricted" if they are certified negative as to aflatoxin content and may be commingled at the crusher with any other category of peanuts determined by paragraph (1)(1) of this regulation to be eligible for such "unrestricted" crushing. Non-edible quality peanuts described in paragraph (g)(1) which have not been certified negative as to aflatoxin are not eligible for "unrestricted" crushing but may be disposed of to domestic crushing as "restricted" and may be commingled at the crusher with any other category of peanuts described in paragraph (1)(2). Such non-edible quality peanuts may be disposed of to domestic crushing or export without supervision by the Area Association if they are held separate and apart from peanuts on which supervision is required. However, if non-edible quality peanuts described in paragraph (g)(1) are exported or crushed in commingling with peanuts on which supervision is required, the handler shall cause the Area Association to supervise the commingling and fragmenting for disposition to export and the commingling and domestic crushing on all categories of peanuts included in such commingling. All movement and disposition of such inedible quality peanuts shall be reported by the handler as prescribed by the Committee.

Meal produced from peanuts which were disposed of to crushing as "re-

stricted" shall be used or disposed of as fertilizer or other non-feed use. To prevent use of restricted meal for feed, handlers shall either denature it or restrict its sale to licensed or registered U.S. fertilizer manufacturers or firms engaged in exporting who will export such meal for non-feed use or sell it to the aforesaid fertilizer manufacturers. However, loose shelled kernels, fall through and pickouts and meal from such peanuts, in specifically identified lots not exceeding 200,000 pounds may be sampled by Federal or Federal-State Inspection Service or by the Area Association if authorized by the Committee, and tested for aflatoxin by laboratories approved by the Committee or by a USDA laboratory, at handler's or crusher's expense, and if such meet Committee standards, the meal may be disposed of for feed use.

(4) Notwithstanding any other provisions of this regulation or of the Incoming Quality Regulation applicable to 1978 crop peanuts, a handler may transfer non-edible quality peanuts described in paragraph (g)(1) to another plant within his own organization or transfer or sell such peanuts to a crusher for crushing. Sales or transfer of restricted peanuts to domestic crushers who are not handlers under the agreement shall be made only on the condition that they agree to comply with the terms of this paragraph (g) and all other applicable requirements of this regulation, including the reporting requirements.

(h) *Peanuts failing quality requirements.* (1) Handlers may sell to other handlers, for further handling, shelled peanuts (which originated from Segregation 1 peanuts) that fail to meet the requirements for disposition to human consumption outlets heretofore specified in paragraph (a). Lots of peanuts disposed of in this manner must be accompanied by a valid grade inspection certificate, an aflatoxin assay certificate and must be positive lot identified. Transactions made in this manner shall be reported to the Committee by both the seller and buyer on a form provided by the Committee. Any such peanuts acquired by handlers pursuant to paragraph (i) of the Incoming Quality Regulation shall be held and milled separate and apart from other receipts or acquisitions of the receiving handler and further disposition shall be regulated by the requirements specified heretofore or pursuant to paragraph (h)(3) hereinafter.

(2) Handlers may blanch or cause to have blanched positive identified shelled peanuts (which originated from Segregation 1 peanuts) that fail to meet the requirements of paragraph (a) of this regulation because of excessive damage, minor defects, moisture, or foreign material or are positive as to aflatoxin. Handlers who

move such peanuts to a blancher shall report, to the Committee on a form furnished by the Committee, movement of each such lot and the title shall be retained by the handler until the peanuts are blanched and certified by an inspector of the Federal or Federal-State Inspection Service as meeting the requirements for disposal into human consumption outlets. To be eligible for disposal into human consumption outlets, such peanuts after blanching, must meet specifications for unshelled peanuts, damaged kernels, minor defects, moisture, and foreign material as listed in paragraph (a) of this regulation and be accompanied by an aflatoxin certificate determined to be negative by the Committee. Blanching under the provisions of this paragraph shall be performed only by those firms who agree to procedures acceptable to the Committee and who are approved by the Committee to do such blanching.

(3) Handlers may dispose of positive identified shelled peanuts (which originated from "Segregation 1 peanuts") which fail to meet the requirements of paragraph (a) of the Outgoing Quality Regulation: (a) to domestic crushing, (b) to export to countries other than Canada and Mexico, provided they meet fragmented requirements, (c) to crushers who are not handlers but are approved by the Committee, or (d) to other handlers for crushing or fragmenting exportation. Each lot of such peanuts shall have been positive lot identified as prescribed in paragraph (d). Handlers may dispose of such peanuts as "unrestricted": *Provided*, That each lot has been sampled and assayed for aflatoxin as specified in paragraph (c) and determined to be negative as to aflatoxin by the Committee. Handlers who have acquired any such unrestricted peanuts from another handler or from their own operations may commingle such peanuts with those from their own operations at the crusher, or during the fragmenting operation or after fragmenting for further disposition as "unrestricted" pursuant to the provisions of paragraph (1)(1) of this regulation. Lots of peanuts covered by the provisions of this paragraph (h)(3), which have not been assayed for aflatoxin content or which have been assayed and determined to be unwholesome as to aflatoxin by the Committee, are not eligible for disposition as "unrestricted". Therefore, the disposition of such peanuts to export or domestic crushing shall be as "restricted". However, handlers who have acquired such restricted peanuts from another handler may commingle such peanuts with those from his own operations at the crusher, or during the fragmenting operation, or after fragmenting for further disposition as restricted pursuant to the provisions of

paragraph (1)(2). Peanuts regulated by this paragraph (h)(3) may be disposed of to domestic crushing or export without supervision by the Area Association if they are held separate and apart from peanuts on which supervision is required. However, if any such peanuts are commingled with peanuts on which supervision is required, the handler shall cause the Area Association to supervise the commingling and fragmenting for disposition to export and the commingling and domestic crushing on all categories of peanuts included in such commingling. All movement and disposition of peanuts covered by the provisions of this paragraph shall be reported by the handler as prescribed by the Committee.

(i) *Residuals from seed peanuts.* Handlers who receive and custom shell for seed purposes farmers stock peanuts (which have not been inspected and certified as meeting the Incoming Quality Regulation) shall hold and mill peanuts acquired as residuals from such operations separate and apart from peanuts acquired as Segregation 1 farmers stock. Likewise, any such residuals received or acquired from a handler or non-handler, shall be held and milled separate and apart in the same manner. Residuals that meet requirements of the Outgoing Quality Regulation may be disposed of by sale to human consumption outlets or to another handler and any portion in positive identified lots not meeting such requirements: (1) may be handled and disposed of pursuant to the provisions of paragraph (h) of this regulation, or; (2) shall be disposed of to domestic crushing or export pursuant to the provisions of paragraph (g).

(j) *Segregation 2 and 3 farmers stock dispositions.* Handlers who have acquired Segregation 2 and 3 farmers stock peanuts pursuant to paragraph (f) of the Incoming Quality Regulation may commingle such peanuts or keep them separate and apart. The Segregation 3 farmers stock peanuts or commingled Segregation 2 and 3 farmers stock peanuts may be moved or disposed of in bags or bulk: (a) to other handlers for shelling, fragmenting, or crushing, or (b) to crushers who are not handlers but are approved by the Committee. Handlers may shell such peanuts and move or dispose of the shelled peanuts in bulk or bags: (a) to other handlers for fragmenting or crushing, or (b) to crushers who are not handlers but are approved by the Committee and further disposition shall be as provided hereinafter in paragraph (1)(2) for "restricted" export to countries other than Canada and Mexico, or for "restricted" domestic crushing. Prior to exportation, the shelled peanuts shall be certified by a Federal or Federal-State Inspection Service as meeting the requirements

specified for "fragmented" peanuts in paragraph (1)(1) and shall be assayed for aflatoxin by a USDA laboratory or a laboratory approved by the Committee. The aflatoxin results shall be shown on the handler's "in-land" bill of lading and the invoice covering the shipment. Shelling, fragmenting, and crushing of Segregation 3 peanuts or commingled Segregation 2 and 3 peanuts shall be done only under the supervision of the Area Associations and any such peanuts may be commingled with other categories of shelled peanuts for disposition to export or domestic crushing. However, if such further commingling occurs, the handler shall cause the Area Association to supervise the further commingling and fragmenting for disposition to export or the further commingling and domestic crushing. All movement and disposition of Segregation 3 peanuts or commingled Segregation 2 and 3 peanuts and shelled or fragmented peanuts originating therefrom shall be reported by the handler as prescribed by the Committee.

(2) Handlers who have acquired Segregation 2 farmers stock peanuts pursuant to paragraph (f) of the Incoming Quality Regulation and held them separate and apart from Segregation 3 peanuts may commingle the Segregation 2 farmers stock with Segregation 1 farmers stock for disposition to domestic crushing or export as inedibles. The Segregation 2 farmers stock peanuts or commingled Segregation 1 and 2 farmers stock peanuts may be moved or disposed of in bulk or bags: (a) to other handlers for shelling, fragmenting, or crushing, or (b) to crushers who are not handlers but are approved by the Committee. Handlers may shell the Segregation 2 or commingled Segregation 1 and 2 peanuts and move or dispose of the shelled peanuts: (a) to another handler for fragmenting or crushing; or (b) to crushers who are not handlers but are approved by the Committee and further disposition shall be as provided in paragraph (1)(1) of this regulation. Prior to exportation the shelled peanuts shall be certified by a Federal or Federal-State Inspection Service as meeting the requirements specified for fragmented peanuts also in paragraph (1)(1). If the shelled peanuts from Segregation 2 peanuts or commingled Segregation 1 and 2 peanuts are held separate and apart from Segregation 3 peanuts and any restricted categories of shelled peanuts, no aflatoxin assay shall be required. Shelling, fragmenting, and crushing of Segregation 2 peanuts or commingled Segregation 1 and 2 peanuts shall be done only under the supervision of the Area Association. The shelled peanuts from Segregation 2 peanuts or commingled Segregation 1 and 2 peanuts may be further commingled with other categories of shelled

peanuts for disposition to export or domestic crushing. However, if such further commingling occurs, the handler shall cause the Area Association to supervise the further commingling and fragmenting. All movement and disposition of Segregation 2 peanuts or commingled Segregation 1 and 2 peanuts and shelled or fragmented peanuts originating therefrom shall be reported by the handler as prescribed by the Committee.

(k) *Segregation 1 farmers stock disposition.* (1) In addition to milling (shelling, cleaning, etc.) Segregation 1 farmers stock peanuts for disposition to human consumption or seed outlets, handlers may dispose of Segregation 1 farmers stock peanuts to export or to other handlers for such disposition. All such dispositions to export shall be reported by the handler as requested by the Committee.

(2) In addition to the disposition outlets specified in paragraph (k)(1), handlers may dispose of Segregation 1 farmers stock peanuts in bags or bulk to other handlers for shelling, fragmenting, or crushing. Such peanuts may also be disposed of to crushers who are not handlers but are approved by the Committee. Handlers may commingle Segregation 1 farmers stock peanuts with Segregation 2 farmers stock peanuts or keep them separate and apart, and may shell such peanuts and move or dispose of the shelled peanuts in bulk or bags to other handlers for fragmenting or crushing. Such peanuts may also be disposed of to crushers who are not handlers but are approved by the Committee. However, the shelling, fragmenting and disposition of such Segregation 1 farmers stock peanuts shall be done only under the supervision of the Committee and the Area Association and all peanuts handled under the provisions of this paragraph (k)(2), for disposition to export or domestic crushing, shall be milled and disposed of pursuant to paragraph (j) (2) in lieu of the provisions specified in paragraphs (a), (b), (c), (d), (g), (h), and (i) of this regulation. The movement and disposition of all peanuts handled under the provisions of this paragraph (k)(2), shall be reported by the handler as prescribed by the Committee.

(1) *Handling, commingling, and disposition of shelled peanuts not meeting quality requirements for human consumption.* (1) The following categories of shelled peanuts may be disposed of to domestic crushing or to export as "unrestricted":

(a) The entire mill production of shelled peanuts from Segregation 1 farmers stock; pursuant to paragraph (k)(2).

(b) the entire mill production of shelled peanuts from Segregation 2, or commingled Segregation 1 and 2 farmers stock pursuant to paragraph (j) (2).

(c) Positive Lot Identified lots of shelled "peanuts failing quality requirements" determined negative as to aflatoxin pursuant to paragraph (h) (3).

(d) Positive Lot Identified lots of loose shelled kernels, fall through, or pickouts determined negative as to aflatoxin pursuant to paragraphs (g) (1), (2), and (3).

(e) Positive Lot Identified lots of loose shelled kernels, fall through and pickouts commingled and determined negative as to aflatoxin pursuant to paragraphs (g) (2) and (3).

(f) Positive Lot Identified lots of seed peanut residuals determined negative as to aflatoxin pursuant to paragraph (i).

Handlers who acquire from other handlers or from their own operations any of the categories of shelled peanuts described heretofore in this paragraph may commingle such peanuts while fragmenting them or after they have been fragmented: (1) with any other category of peanuts described in this paragraph, and (2) with any category of "unrestricted" shelled peanuts acquired from CCC and determined by CCC to be eligible for such commingling for disposition to export to countries other than Canada and Mexico. However, such peanuts, prior to exportation, shall be certified as meeting fragmented requirements. For the purpose of this regulation, the term "fragmented" means that not more than 20 percent of the peanuts shall be whole kernels that ride the following screens, by type: Spanish $1\frac{1}{4} \times \frac{3}{4}$ inch slot; Runner $1\frac{1}{4} \times \frac{3}{4}$ inch slot; and Virginia $1\frac{1}{4} \times 1$ inch slot. Handlers who acquire from other handlers or from their own operations any of the categories of shelled peanuts described heretofore in this paragraph may commingle such peanuts at the crusher: (1) with any other category of peanuts described in this paragraph, and (2) with any category of unrestricted shelled peanuts acquired from CCC and determined by CCC to be eligible for such commingling and the resultant meal may be disposed of without restriction. To be eligible for such unrestricted dispositions (crushing or export), such peanuts, before commingling and after commingling, shall be kept separate and apart from all "restricted" peanuts. Shelling, fragmenting, and crushing of Segregation 2 peanuts or commingled Segregation 1 and 2 peanuts shall be done only under the supervision of the Area Association and if any shelled peanuts originating therefrom are commingled with any of the other categories of shelled peanuts described heretofore in this paragraph, the handler shall cause the Area Association to supervise the commingling and fragmenting and the commingling and crushing on all categories of peanuts included in such

commingling. All movement and disposition of the categories of peanuts described heretofore in this paragraph shall be reported by the handler as prescribed by the Committee.

(2) The following categories of shelled peanuts may be disposed of to domestic crushing or to export as "restricted":

(a) The entire mill production of shelled peanuts from Segregation 1 farmers stock pursuant to paragraph (k)(2) of the Outgoing Quality Regulation.

(b) The entire mill production of shelled peanuts from Segregation 2 or commingled Segregation 1 and 2 farmers stock pursuant to paragraph (j)(2).

(c) The entire mill production of shelled peanuts from Segregation 3 or commingled Segregation 2 and 3 farmers stock pursuant to paragraph (j)(1).

(d) Positive Lot Identified lots of shelled "peanuts failing quality requirements" pursuant to paragraph (h)(3).

(e) Positive Lot Identified lots of loose shelled kernels, fall through, or pickouts pursuant to paragraphs (g) (1), (2), and (3).

(f) Positive Lot Identified lots of loose shelled kernels, fall through and pickouts commingled pursuant to paragraphs (g) (2) and (3).

(g) Positive Lot Identified lots of seed peanut residuals pursuant to paragraph (i).

(h) PAC indemnified peanuts.

Handlers who acquire, from other handlers or from their own operations, any of the categories of shelled peanuts described heretofore in this paragraph (1)(2) may commingle such peanuts while fragmenting them or after they have been fragmented with any other category of peanuts described in this paragraph and with any category of shelled peanuts acquired from CCC and determined by CCC to be eligible for such commingling with disposition to export to countries other than Canada and Mexico as "restricted". Prior to such exportation, the peanuts shall be certified as meeting the fragmented requirements and shall be assayed for aflatoxin by a USDA laboratory or a laboratory approved by the Committee. The aflatoxin results shall be shown on the handler's "in-land" bill of lading and on his invoice covering the shipment. Handlers who acquire, from other handlers or from their own operations, any of the categories of shelled peanuts described heretofore in this paragraph may commingle such peanuts at the crusher with any other category of peanuts described in this paragraph (1)(2) and with any category of shelled peanuts acquired from CCC and determined by CCC to be eligible for such commingling for "restricted" domestic crushing. Meal produced from peanuts disposed of to crushing as "restricted"

shall be used or disposed of as fertilizer or other non-feed use, pursuant to the provisions of paragraph (g)(3). Shelling, fragmenting, and crushing of Segregation 2 peanuts, Segregation 3 peanuts and the entire mill production of Segregation 1 peanuts handled pursuant to paragraph (k), and PAC indemnified peanuts shall be done only under supervision of the Area Association and if any of such categories of peanuts are commingled with any of the other categories of shelled peanuts described heretofore in this paragraph, the handler shall cause the Area Association to supervise the commingling and fragmenting on all categories of peanuts included in such commingling. All movement and disposition of the categories of peanuts described heretofore in this paragraph shall be reported by the handler as prescribed by the Committee.

TERMS AND CONDITIONS OF INDEMNIFICATION—1978 CROP PEANUTS

For the purpose of paying indemnities on a uniform basis pursuant to section 36 of the peanut marketing agreement effective July 12, 1965, each handler shall promptly notify or arrange for the buyer to notify the Manager, Peanut Administrative Committee, of any lot of cleaned inshell or shelled peanuts, milled to the outgoing quality requirements and into one of the categories listed in the final paragraph of these terms and conditions, on which the handler has withheld shipment or storage or the buyer, including the user division of a handler, has withheld usage due to a finding as to aflatoxin content as shown by the results of chemical assay. To be eligible for indemnification, such a lot of peanuts shall have been inspected and certified as meeting the quality requirements of the agreement, shall have met all other applicable regulations issued pursuant thereto, including the pretesting requirements in (a) and (c) of the "Outgoing Quality Regulation—1978 Crop Peanuts", and the lot identification shall have been maintained. If the Committee concludes, based on assays to date or further assays, that the lot is so high in aflatoxin that it should be handled pursuant to these Terms and Conditions and such is concurred in by the Agricultural Marketing Service, the lot shall be accepted for indemnification. If the lot is covered by a sales contract, the lot may be rejected to the handler.

In an effort to make such eligible peanuts suitable for human consumption, and to minimize indemnification costs, the Committee and the Agricultural Marketing Service shall, prior to disposition for crushing cause all suitable lots to be remilled or custom blanched or both.

"Custom blanching" means the process which involves blanching peanuts,

and the subsequent removal of damaged peanuts for the purpose of eliminating aflatoxin from the lot. The process may be applied to either an original lot or the new lot which results from remilling. Custom blanching shall be performed only by those firms determined by the Committee to have the capability to remove the aflatoxin and who agree to such terms, conditions and rates of payment as the Committee may find to be acceptable.

If the Committee and the Agricultural Marketing Service conclude that such lot is not suitable for remilling or custom blanching, the lot shall be declared to crushing and shall be disposed of by delivery to the Committee at such point as it may designate. The indemnification payment for peanuts in such a lot shall be the indemnification value of the peanuts, as herein-after provided. Transportation expenses (excluding demurrage) from the handler's plant or storage to the point within the Continental United States or Canada where the rejection occurred and from such point to a delivery point specified by the Committee shall be included in the indemnification payment if the lot is found by the Committee to be unwholesome as to aflatoxin after such lot had been certified negative as to aflatoxin prior to being shipped or otherwise disposed of for human consumption by the handler pursuant to requirements of the "Outgoing Quality Regulation—1978 Crop Peanuts". Payment shall be made to the handler as soon as practicable after delivery of the peanuts to the Committee. The salvage value for peanuts declared for crushing shall be paid to, and retained by, the Committee to offset indemnification expenses.

If it is concluded that the lot should be remilled or custom blanched, expenses shall be paid by the Committee on those lots which, on the basis of the inspection occurring prior to shipment, contained not more than 1.00 percent damaged kernels other than minor defects. Lots with damage in excess of 1.00 percent on such inspection shall be remilled without reimbursement from the Committee for milling or freight, but otherwise shall be indemnifiable the same as lots with not more than 1.00 percent damage.

The indemnification value of peanuts delivered to the Committee for indemnification shall be as listed in the final paragraph of these terms and conditions.

The indemnification payment on peanuts declared for remilling, and which contain not more than 1.00 percent damaged kernels other than minor defects, shall be the indemnification value referable to the weights of peanuts lost in the remilling process and not cleared for human consumption, plus an allowance for remilling of two cents per pound on the original

weight. Transportation expenses (excluding demurrage) from the handler's plant or storage to the point within the Continental United States or Canada where the rejection occurred and from such point to a delivery point specified by the Committee shall be included in the indemnification payment if the lot is found by the Committee to be unwholesome as to aflatoxin after such lot had been certified negative as to aflatoxin prior to being shipped or otherwise disposed of for human consumption by the handler pursuant to requirement of the "Outgoing Quality Regulation—1978 Crop Peanuts". On lots on which the remilling is not successful in making the lot wholesome as to aflatoxin and such lots of peanuts are declared for custom blanching after remilling, the indemnification payment shall be the blanching cost, plus the transportation costs from origin (whether handler or buyer premises) to point of blanching and on unsold lots from point of blanching to handler's premises and the indemnification value of the weight of reject peanuts removed from the lot. On lots which are custom blanched without remilling, the indemnification payment shall be determined in the same manner. However, no indemnification payments shall be paid on any lot of peanuts where the Committee determines that the custom blanched peanuts from such a lot which has been sold at a price lower than the indemnification value on the original red skin lot at the time the indemnification claim was filed with the Committee.

Claims for indemnification on 1978 crop peanuts may be filed by any handler sustaining a loss as a result of a buyer withholding from human consumption a portion or all the product made from a lot of peanuts which has been determined to be unwholesome due to aflatoxin. The Committee shall pay, to the extent of the raw peanut equivalent value of the peanuts used in the product so withheld, such claims as it determines to be valid.

Payment shall be made to the handler claiming indemnification or receiving the rejected lot as soon as practicable after receipt by the Committee of such evidence of remilling or custom blanching and clearance of the lot for human consumption as the Committee may require and the delivery of the peanuts not cleared for human consumption to the delivery point designated by the Committee. If a suitable reduction in the aflatoxin content is not achieved on any lot which is remilled or custom blanched or both, the Committee shall declare the entire lot for indemnification. However, the Committee shall refuse to pay indemnification on any lot(s) where it has reason to believe that the rejection of the peanuts arises from

failure of the handler to use reasonable measures to receive and withhold from milling for edible use those Segregation 3 peanuts tendered to him either directly by a producer or by a country buyer, commission buyer or other like person. Furthermore, any misrepresentation by a handler in reporting acquisition, composition or disposition of any lot or lots of peanuts by such handler shall cause indemnification payments with respect to any such claim filed with the Committee by the handler on 1978 crop peanuts to be withheld unless the Committee finds that such action was inadvertent.

Remilling may occur on the premises of any handler signatory to the marketing agreement or at such other plant as the Committee may determine. However, if the Committee orders remilling of a lot which has been found to contain aflatoxin prior to shipment from the locality of original milling, the Committee shall not pay freight costs should the handler move said lot to another locality for remilling.

Notice of claims for indemnification on peanuts of the 1978 crop shall be filed with the Committee no later than November 1, 1979.

Each handler shall include, directly or by reference, in his sales contract the following provisions:

Should buyer find peanuts subject to indemnification under this contract to be so high in aflatoxin as to provide possible cause for rejection, he shall promptly notify the seller and the Manager, Peanut Administrative Committee, Atlanta, Georgia. Upon a determination of the Peanut Administrative Committee, confirmed by the Agricultural Marketing Service, authorizing rejection, such peanuts, and title thereto, if passed to the buyer, shall be returned to seller and such peanuts shall be reoffered to the buyer to satisfy the covering contract, pending successful remilling and/or blanching. Or, if the buyer's or receiver's name is shown on the certificates covering a lot which, upon the pretesting sampling procedure prescribed in paragraph (c) of the Outgoing Quality Regulation, exceeds Committee requirements for wholesomeness as to aflatoxin, such peanuts shall be offered to the buyer to satisfy the existing applicable contract, pending successful remilling and/or blanching. Alternatively, seller may replace any rejected lot of peanuts with another lot, if he elects to do so.

Seller shall, prior to shipments of a lot of shelled peanuts covered by this sales contract, cause appropriate samples to be drawn by the Federal or Federal-State Inspection Service from such lot, shall cause the sample(s) to be sent to a USDA laboratory or if designated by the buyer, a laboratory listed on the most recent Committee list of approved laboratories to conduct such assay, for an aflatoxin assay and cause the laboratory, if other than the buyer's to send one copy of the results of the assay to the buyer. The laboratory costs shall be for the account of the buyer and buyer agrees to pay them when invoiced by the laboratory or, in the event the seller has paid them, by the seller.

Any handler who fails to include such provisions in his sales contract shall be ineligible for indemnification payments with respect to any claim filed with the Committee on 1978 crop peanuts covered by the sales contract.

In addition, should any handler enter into any oral or written sales contract which fixes the level of aflatoxin at which rejection may be made and hence conflicts with these terms and conditions, the handler doing so will not be eligible for indemnification payments with respect to any claim filed with the Committee on 1978 crop peanuts on or after the filing date of a claim under such contract, except upon the Committee's finding that acceptance of such contract was inadvertent; and for purposes of this provision a claim shall be deemed to be filed when notice of possible rejection is first given to the Committee.

Any handler who fails to conform to the requirements of paragraph (h) of the "Incoming Quality Regulation—1978 Crop Peanuts" shall be ineligible for any indemnification payments until such condition or conditions are corrected to the satisfaction of the Committee.

Categories eligible for indemnification are as follows:

CLEANED INSHELL PEANUTS

- (1) U.S. Jumbos
- (2) U.S. Fancy Handpicks
- (3) Valencia—Roasting Stock¹

U.S. GRADE SHELLED PEANUTS

- (1) U.S. No. 1
- (2) U.S. Splits
- (3) U.S. Virginia Extra-Large
- (4) U.S. Virginia Medium

SHELLED PEANUTS "WITH SPLITS"

(1) Runners with splits which do not contain more than 15 percent splits or 3 percent whole kernels which will pass through a 16/64 x 3/4 slot screen.

(2) Spanish with splits which do not contain more than 15 percent splits or 2 percent whole kernels which will pass through a 15/64 x 3/4 slot screen.

(3) Virginias with splits which do not contain more than 15 percent splits or 3 percent whole kernels which will pass through a 15/64 x 1 slot screen.

However, peanuts in any of the above categories shall not be eligible for indemnification if such peanuts: (1) were milled from seed peanut residuals as referred to in the last sentence of paragraph (e) of the Incoming Quality Regulation and paragraph (i) of the Outgoing Quality Regulation for 1978 Crop Peanuts; (2) failed the Outgoing Quality Regulation for 1978 Crop Peanuts due to excessive damage

¹Inshell peanuts with not more than 25 percent having shells damaged by discoloration, which are cracked or broken, or both.

and minor defects and such peanuts were subsequently blanched or remove such excess damage and minor defects pursuant to paragraph (h) of such regulation; (3) when shipped for human consumption outlets contained more than a total of 1.25 percent unshelled peanuts and damaged kernels or a total of 2.00 percent unshelled peanuts, damaged kernels and minor defects; (4) were received or acquired from another handler pursuant to paragraph (i) of the Incoming Quality Regulation and were milled to meet requirements of the Outgoing Quality Regulation pursuant to paragraph (h) of such regulation.

The indemnification value for all categories of peanuts eligible for indemnification, except U.S. Virginia Extra Large and all types of peanuts grading U.S. Splits as noted herein-after, shall be 32.1 cents per pound. The value for U.S. Virginia Extra Large shall be 34.1 cents per pound. The value of U.S. Splits of all types shall be 29.1 cents per pound.

[FR Doc. 78-17151 Filed 6-20-78; 8:45 am]

[3410-11]

Forest Service

PACIFIC CREST NATIONAL SCENIC TRAIL ADVISORY COUNCIL

Meeting

The Pacific Crest National Scenic Trail Advisory Council will meet on July 31-August 2, 1978, at the North Cascades National Park Headquarters, 800 State Street, Sedro Woolley, Washington. The meeting will begin on July 31 at 9:30 a.m. Two field trips to view portions of the Trail near Rainy Pass and Harts Pass are planned to start at 8 a.m. on August 1 and 2, respectively.

The purpose of the meeting is to provide orientation to the Council members and to receive Council recommendations. The meeting will include a review of trail status through council and agency reports, discussion of volunteer efforts, coordination of regulations affecting the trail user, trailhead facilities, and strategies to acquire rights-of-way.

The meeting will be open to the public. Persons who wish additional information concerning the meeting should contact Donald A. Warman, Recreation Staff, Pacific Northwest Region, Forest Service, P.O. Box 3623, Portland, Oregon 97208, phone 503-221-3644.

CHESTER A. SHIELDS,
Associate Deputy Chief.

JUNE 14, 1978.

[FR Doc. 78-17094 Filed 6-20-78; 8:45 am]

[3410-11]

EXTENSION OF TIMBER SALE CONTRACTS AND OTHER RELATED MATTERS

Forest Service Policy

AGENCY: Forest Service, USDA.

ACTION: Final policy.

SUMMARY: This policy sets forth Forest Service policy on contract term extension, contract term adjustment, and period of contract. The policy will become a part of the Forest Service Manual.

EFFECTIVE DATE: July 1, 1978.

FOR FURTHER INFORMATION
CONTACT:

George M. Leonard, Timber Management Staff, Forest Service, Department of Agriculture, P.O. Box 2417, Washington, D.C. 20013, (202-447-4051).

SUPPLEMENTARY INFORMATION: On October 5, 1977, the Secretary of Agriculture published a proposed policy (42 FR 54318) which would revise the Forest Service extension policy. The final policy is essentially the same as the proposed, with three significant changes:

(1) The requirement that 75 percent of the advertised volume has been cut, removed from the sale area, and "presented for scaling" has been modified to delete the "presented for scaling" requirement.

(2) The effective date has been changed from January 1, 1978, to July 1, 1978.

(3) The proposal to allow waivers to the extension policy when production rates dropped has been deleted. In its place, current Forest Service Manual material will be retained. Current Manual directions provide that the Chief may waive the extension policy if a drastic decline in lumber prices occurs.

SUMMARY OF COMMENTS

Most of the comments were directed at the change in present policy which raised the requirements for timber removal before extensions would be granted. Existing policy requires 50 percent removal. The new policy requires 75 percent removal. Most respondents felt the 50 percent requirement was about right and the 75 percent requirement too strict.

The National Forest Management Act of 1976 specifically requires that a purchaser " * * * has diligently performed in accordance with an approved plan of operation * * *." Removing only 50 percent of the volume in a timber sale does not, in our judgment, fulfill the diligent performance requirement. Therefore, the 75 percent removal figure has been retained.

Several respondents objected to the addition of the "presented for scaling"

requirement in the statement "At least 75 percent of the advertised volume has been cut, removed from the sale area, and presented for scaling." After consideration of the comments, we decided to delete this requirement.

Several respondents felt the criteria for waiving the extension criteria on short-term sales were unnecessary or should be based on price rather than production. The final policy reflects the comments insofar as the final policy is based on market price changes rather than production. We continue to believe, however, that there is a need to waive the strict extension criteria when market changes impair a purchaser's ability to complete the sale on time.

There were several other minor comments, including one to make the original term of the sale longer and several on redundant or unclear wording. These have been accommodated where possible, but no substantive changes made.

Therefore, Forest Service Manual 2400 will be amended as follows:

TITLE 2400—TIMBER MANAGEMENT

Revise 2433.12 to read:

2433.12—Contract term extension. A contract for harvesting National Forest timber clearly establishes an obligation on the part of the purchaser to complete the cutting and removal of all designated timber, as well as other contractual obligations within the time limits specified in the contract. The Forest Service expects timber purchasers to meet this obligation.

1. Policy. Extensions of a contract term should be the exception rather than the rule and a timber purchaser is expected to complete all contractual obligations during the specified contract term. Failure on the part of the timber purchaser to harvest the timber within the specified time limits will result in termination of the timber sale contract unless the purchaser applies for and the Forest Service approves a contract term extension. If no extension is granted, the purchaser is liable for damage as set forth in the contract.

The contract contains certain stipulations which apply if the contract period is extended. Subject to those contract provisions, an extension of time may be granted by the officer approving the sale, his successor, or his superior, if the purchaser has diligently performed in accordance with contract provisions and the approved plan of operations, or if it is determined that the substantial overriding public interest justifies the extension. Except as discussed later in this section, contracts will be extended only when there is proper justification, and termination is imminent.

(a) *Criteria for determining diligent performance.* To qualify for an extension of a sale sold prior to July 1, 1971, a purchaser should expect to have cut at least 50 percent of the advertised volume by the date of his application for extension and to have constructed sufficient specified roads to service at least 60 percent of the timber to be cut, including all roads which are planned or needed as access routes for other National Forest timber.

Unless there are other considerations advantageous to the United States, extension applications which fail to meet this standard will not be considered.

To qualify for an extension of a sale made on or after July 1, 1971, but prior to July 1, 1978, all of the following conditions must be met by the purchaser:

(1) At least 50 percent of the advertised volume must have been cut and removed from the sale area.

(2) Specified roads needed by the purchaser (a) to remove the timber harvested to date and (b) those specified roads which are needed to permit planned, orderly development of future sales and which were identified in the prospectus, have been accepted under B6.35. Where possible, it is desirable to announce those roads to which this latter requirement will apply prior to advertisement.

(3) All contractual requirements, such as snag felling, erosion control, and slash disposal, have been accepted on the area cut over except for areas where logging is currently in progress. Purchaser's burning of current slash may be waived as a prerequisite for extension, if weather conditions or other considerations have precluded burning.

A decision not to grant an extension when the above conditions are met will be made only when the extension would result in intolerable resource management or protection problems, or cause environmental damage which cannot be corrected or prevented by contract modification.

Timber sale contracts for sales made on or after July 1, 1978, shall authorize contract term extensions only if the purchaser has met the following conditions, unless the Chief finds that there is an overriding public interest which justifies the extension.

(1) Specified roads needed by the Purchaser for removal of all included timber in accordance with his approved plan of operations were constructed and accepted by the Forest Service prior to the applicable road completion date. (Not applicable when Forest Service assumes responsibility for construction of roads.)

(2) At least 75 percent of the advertised volume has been cut and removed from the sale area.

(3) Operations to date have been in reasonable compliance with contract

terms and the approved plan of operations.

(4) Contractual requirements, such as snag felling, erosion control, and slash disposal, have been accepted on the area cutover, except for areas where logging is currently in progress. Purchaser's burning of current slash or grass seeding of disturbed areas may be waived as a prerequisite for extension, if weather conditions or other factors have delayed these activities.

A decision not to grant an extension when the above criteria are met will be made only when the extension would result in intolerable resource management or protection problems, or cause environmental damage which cannot be corrected or prevented by contract modification.

(b) *Waiver of extension criteria.* The Chief may, by specific written direction, authorize the use of different qualifying conditions for extension applicable to contracts of less than 2 years in length. These different conditions will apply to contracts for timber offered during periods of extremely high end-product prices when such prices subsequently decline drastically. A drastic decline is one exceeding 20 percent. Different qualifying conditions will be authorized only for such contracts and only when there is a determination that drastic price decline has resulted in abnormal decline in industry-wide production which has significantly affected the collective rate of operations under such contracts. Any such authorizations will apply to contracts for specified classes of timber, such as softwood sawtimber, awarded during specific periods of time and expiring during specific periods of time. A difference may be recognized between contracts with provision for escalation, under which stumpage price drops along with the market, and contracts without such provision (flat rates).

The above criteria notwithstanding, the Chief may authorize extensions of a timber sale contract when he determines such action is justified by a substantial overriding public interest (36 CFR 223.8).

(c) *Extensions in conjunction with modification of contract to prevent environmental or resource damage.* When a modification (2433.23) of contract to prevent environmental or resource damage cannot be executed prior to the start of an ensuing operating period, and purchaser's timber harvest operations on the timber involved in the modification are delayed, an extension of the contract term may be necessary. The following guidelines are established for determining the period of contract extension.

(1) Consider all factors relating to the harvest of the timber involved in the environmental modification including the time involved in procure-

ment, scheduling, move-in, and use of equipment (types) other than that contemplated in the original sale. If the "final" modification is executed after the midway date of a normal logging season, disregard the remainder of that logging season in establishing the time needed to harvest the timber involved in the environmental modification.

(2) The period of time for harvest of the timber volume involved in the contract modification to prevent environmental or resource damage must recognize any changes in harvest methods which could reduce production rates used to establish the original contract term. Estimate the rate of production for the harvest methods specified in the modification, volumes to be cut per acre, road construction needed, and any other variables affecting the establishment of a logical contract period.

(3) Estimated production rates for the volume involved in the environmental modification and other considerations included in item No. 2 above will be used to calculate the time needed to complete the harvest of the timber involved in the modification.

(4) Using the period of time calculated in item No. 3. above, determine if there is sufficient time remaining under the original contract term to harvest the timber involved in the environmental modification. If not, extend the contract term to fully provide for the changed conditions of the modified sale and any time lost by the purchaser while the Forest Service was preparing the modification. In estimating the time required to complete the sale, it is advisable to consult the Purchaser.

(d) *Early extensions.* Even though the termination date is not imminent, "early extension" may be granted when appropriate, whether or not the above conditions have been met. An early extension may be granted only when the approving officer determines that it is in the interest of the United States to permit a purchaser to interrupt or reduce operations on National Forest timber so that he may log other timber which is more urgently in need of harvesting; for example, salvage of fire-killed or insect-threatened timber. When the purchaser cannot operate the subject National Forest timber at the rate required to complete the contract by the termination date, and at the same time operate the other timber that is more urgently in need of harvesting, additional time may be granted for operating the subject National Forest timber. An extension may be executed at the time operations are initiated on the timber more urgently needing cutting.

When the timber more urgently in need of cutting is National Forest timber, an early extension need be

processed only for sales on contract form 2400-2. Such an extension should be granted only where the intent to do so has been stated in the prospectus for the timber in more urgent need of harvesting. For sales on forms 2400-5 and 2400-6, contract term adjustments may be granted (FSM 2433.11).

When other than National Forest timber is more urgently in need of harvesting the early extension procedure must be followed regardless of contract form.

(1) *Restrictions.* Extension to permit harvesting of other than Forest Service timber should be granted only when:

(a) Substantial timber quantities or values are involved,

(b) In the case of other public timber the managing agency has requested Forest Service cooperation, or

(c) In the case of private timber, when failure to harvest it promptly will result in significant resource loss or create a threat of an insect epidemic,

(d) The purchaser presents an acceptable plan of operations for completing the sale to be extended.

Good judgment is required in determining the proper lengths of early extensions to avoid either excessive or inadequate periods.

Where indicated by the facts, it is reasonable to provide some slack time in the extension period to cover unforeseen difficulties, such as slower production or greater volume than expected. Because specific situations vary widely, no hard and fast rules can be applied. The purchaser's plan of operations should be used as a guide.

(2) *Procedure for urgent removal sales.* During the sale preparation phase of sales requiring urgent removal, a decision must be made of whether or not early extension or contract term adjustment on other sales will be granted to operators who purchase the sales. If the decision is to grant such extensions, the prospectus for such sales should clearly state that such extensions may be granted and in addition should state:

(a) The specific geographic area which will be considered for granting extensions on existing sales.

(b) That a showing of impact on existing sales is a prerequisite to granting early extension,

(c) Specific classes of sales (such as salvage sales) which will not be considered for early extension,

(d) That the number of days of contract term adjustment or early extension a purchaser may expect to be granted will be calculated on a case-by-case basis and will reflect the time lost in logging the salvage sales.

The specific sales to be extended and the time granted should be agreed upon as soon after bidding as possible. To expedite this process, the award

letter to successful bidders (except for bidders with no existing sales) would contain a paragraph similar to the following:

As stated in the prospectus for this sale, we are willing to consider early extension or contract term adjustment on green sales to allow time for logging the timber in this sale which is in urgent need of removal. To qualify for these extensions you must submit your request for adjustments within 30 days receipt of this letter. The request should list which sales you want extended, the number of days requested by sale, and how the existing sales would be impacted by logging this sale.

When the logger has submitted his list of sales, they will be checked against the criteria listed in the prospectus. If they meet these criteria, the early extension (or contract term adjustment) will normally be granted unless there is clear evidence that there will be no impact from the urgent removal cutting. If there are sales on the list which do not qualify, the purchaser should be advised promptly and asked to revise his list accordingly. It is highly desirable that the early extensions be granted prior to the start of logging on sales involving timber in urgent need of removal.

As indicated above, a showing of impact on existing sales must be made. However, impacts should not be limited to physical limitations on log storage, or physical moving of men and equipment. Transfers of capital, inventory limitations established for fiscal purposes, and similar indirect impacts should also be considered.

2451.82—*Period of contract* (B8.2, A19). Add the following to replace the material following the first two paragraphs in FSM:

Regional Foresters will provide guidelines to assure reasonable consistency in establishment of contract lengths. The guidelines should recognize the need for variation in sale periods to reflect differences in factors such as required road construction, climate, and special operating requirements.

Contract periods will be established with consideration of the size and type of offering. Contract periods should provide time for well-planned operations by typical operators within the local area. Sale periods must provide adequate time for completion of logging and other contractual obligations after construction of specified roads by the Forest Service, should the bidder so elect. Contract lengths should be set with recognition that an adequate volume of timber under contract is essential to provide the purchaser a basis for financing his operation, planning his timber supply needs, and reasonable flexibility to respond to market fluctuations. On the

other hand, a continuous flow of National Forest timber onto the market is desirable, and sale periods should not be so long as to encourage speculative buying.

Guidelines adopted by Regional Foresters should recognize that variation from established guides may be appropriate in the following circumstances:

(1) Additional time should be considered for such special requirements or conditions as extensive road construction, special logging systems, the need to avoid peak recreation periods, and requirements for time-consuming work, such as yarding unutilized material. Some sales are well suited for winter or early spring logging. Consideration should be given to allowing additional seasons for these sales in order to make operable area available when other areas may be closed. Additional operating seasons may also be necessary for high elevation sales with abnormally short operating seasons. Sales where construction of access road is not by purchaser should be withheld from sale until access is ensured rather than establishing a longer period of contract.

(2) Shorter sale periods should be considered for salvage sales to minimize timber deterioration or sales where prompt removal is necessary to prevent the spread of insects. Shorter sale periods may also be appropriate when necessary to meet clearing deadlines in connection with development projects. When shorter sale periods are established, potential bidders shall be apprised of this condition in the prospectus.

(3) Sales of products for which markets are not assured, such as pulpwood, bolts, or poles, should be given special consideration.

(4) Sales in heavily competitive areas which do not require road construction should generally be of shorter duration than sales requiring road construction.

Dated: June 13, 1978.

JOHN R. MCGUIRE,
Chief, Forest Service.

[FR Doc. 78-17129 Filed 6-20-78; 8:45 am]

[3410-01]

Office of the Secretary

SECTION 22 IMPORT RESTRICTIONS ON SUGAR

Solicitation of Views

By Proclamation No. 4547 of January 20, 1978, import fees were imposed, on an emergency basis, on certain sugar pursuant to Section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), pending further action by the President on the investigation and report by the United States International Trade Commission as to whether imports of such

sugar are interfering with price support operations for sugar. Import fees now in effect are 2.70 cents per pound for raw sugar and 3.22 cents per pound for refined sugar and syrups, subject to the limitation that the fee may not be in excess of 50 per centum ad valorem.

The Commission has conducted its investigation and has reported that imports of sugar, provided for in TSUS items 115.20 and 115.30, are interfering with such operations. In such circumstances the President is authorized to impose import fees or quantitative restrictions determined necessary to prevent imports from materially interfering with sugar price support operations. The fees may not exceed 50 per centum ad valorem and the quotas may not be less than 50 per centum of imports during a representative period.

Before making my recommendation to the President with respect to the import restrictions which would best accomplish this purpose, I desire to obtain the views of interested persons.

Presently, it is my intention to recommend the continuation of the fee system to protect the price support loan program for sugar; to recommend an increase in the existing fees; and to recommend a formal procedure (formula) for adjusting the fees on a quarterly basis, beginning October 1, 1978.

The views of interested persons are sought in particular on these questions:

Should the import fee on raw sugar be increased from the 2.70 cents per pound now in effect? If so, to what level and when should the higher fee become effective?

Should the import fee on refined sugar be increased from the 3.22 cents per pound now in effect? If so, to what level and when should the higher fee become effective?

Should sugar under binding forward contract for importation into the United States prior to the day fees are increased be subject to the fees in effect at the time the contract was entered into, or to the fees in effect at the time the sugar is imported into the United States?

What factors should be taken into account in the (monthly, quarterly, semi-annually) adjustment formula that is to be specified in the proclamation? Specifically, should the adjustment formula use spot or futures prices? Also, what period should the adjustment be based upon? For example, if fees were to be adjusted quarterly beginning October 1, 1978, should the adjustment be based upon prices during June-August 1978 or some longer or shorter period of time?

How frequently should the fees on imported sugar be adjusted (monthly, quarterly, semi-annually), and when should the automatic adjustment process begin?

How many days before the beginning of a time period (month, quarter, semi-annual) should the new fee be announced?

Comments should be submitted to William Doering, USDA, Rm. 5062, South Building, Washington, D.C. 20250, so as to be received within 15 days from the date of publication of

this announcement in the FEDERAL REGISTER. A draft impact analysis is available from Elmer K. Klumpp, Rm. 231-W, phone 202-447-5795.

Dated: June 16, 1978.

BOB BERGLAND,
Secretary.

[FR Doc. 78-17156 Filed 6-20-78; 8:45 am]

[6820-32]

ARMS CONTROL AND DISARMAMENT AGENCY

GENERAL ADVISORY COMMITTEE

Notice of Meeting

Notice is hereby given in accordance with Section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. I, (the Act) and paragraph 8b of Office of Management and Budget Circular No. A-63 (Revised March 27, 1974) (the OMB Circular), that a meeting of the General Advisory Committee (GAC) is scheduled to be held on July 13, 1978 from 9 a.m. to 6 p.m. and on July 14, 1978 from 9 a.m. to 6 p.m. at 2201 C Street, NW., Washington, D.C., in Room 7516.

The purpose of the meeting is for the GAC to receive briefings and hold discussions concerning arms control and related issues which will involve national security matters classified in accordance with Executive Order 11652 dated March 10, 1972.

The meeting will be closed to the public in accordance with the determination of May 22, 1978 made by the Director of the U.S. Arms Control and Disarmament Agency pursuant to Section 10(d) of the Act and paragraph 8d(2) of the OMB Circular that the meeting will be concerned with matters of the type described in 5 U.S.C. 552(b)(1). This determination was made pursuant to a delegation of authority from the Office of Management and Budget dated June 25, 1973 issued under the authority of Executive Order 11769 dated February 21, 1974.

Dated: May 30, 1978.

SIDNEY D. ANDERSON,
Advisory Committee
Management Officer.

[FR Doc. 78-17149 Filed 6-20-78; 8:45 am]

[6820-32]

PRIVACY ACT OF 1974

New System of Records

AGENCY: U.S. Arms Control and Disarmament Agency.

ACTION: Notification of the existence and character of a new System of Records.

SUMMARY: The U.S. Arms Control and Disarmament Agency creates a

new system of records identified as ACDA-15, Fellowship Grants Records—ACDA. The purpose of this new system of records is the administration of a new fellowship grant program to individuals for the study of arms control subjects.

EFFECTIVE DATE: This system shall become effective June 21, 1978.

FOR FURTHER INFORMATION CONTACT:

Mr. Charles R. Oleszycki, Office of the General Counsel, U.S. Arms Control and Disarmament Agency, Washington, D.C. 20451, 202-632-0760.

SUPPLEMENTAL INFORMATION:

A limited number of fellowships will be granted by the Agency for the study of arms control subjects. The fellowships will be granted on a competitive basis to qualified individuals who apply to the Agency for this purpose. The new system of records will contain the information concerning the applicants which is used to grant the fellowships and will also contain information necessary for the administration of the program. The purpose of this document, in accordance with the requirements of the Privacy Act, 5 U.S.C. 552a(e)(4), is to give notice of the existence and character of the new system of records.

The Agency has submitted a report concerning this new system of records pursuant to Office of Management and Budget, Circular No. A-108, Transmittal Memoranda No. 1 and No. 3, which provide supplemental guidance to Federal agencies regarding the preparation and submission of reports of their intention to establish or alter systems of personal records as required by the Privacy Act of 1974, 5 U.S.C. 552a(o).

On April 21, 1978, the U.S. Arms Control and Disarmament Agency published in the FEDERAL REGISTER (43 FR 17020-17021) a notice of the proposed new system of records and its routine uses. Pursuant to 5 U.S.C. 552a(e)(11), interested persons were given thirty days to submit written data, views, or arguments to the Agency. All comments submitted were given due consideration. As a result of comments received and the Agency's own review, the following changes are made:

(1) The Agency withdraws its proposal to exempt from disclosure under subsection (k)(5) of the Privacy Act (5 U.S.C. 552a (k)(5)) the identity of an individual who makes a specific recommendation regarding an application for a fellowship grant to study arms control subjects.

(2) The method of designating routine uses has been changed to conform to that followed in the annual publication of the Agency's System of Records which was published in the Fed-

ERAL REGISTER on September 20, 1977 (42 FR 47464-47468). In order to save space and avoid duplication, a Prefatory Statement of Routine Uses preceded that compilation of systems of records. That Prefatory Statement contains routine uses which apply to more than one system of records. The systems of records to which each of these standard routine uses applies are indicated after that routine use, and by reference, in the description of routine uses which appears in the description of each system of records.

The full text of the Prefatory Statement of Routine Uses as amended to reflect the new system of records is set forth at the end of this document. In the description of routine uses for the new system of records, the standard routine uses are referenced by number in order to make clear that most of the routine uses for the new system of records are ones that apply to many of the Agency's system of records. For example, the routine use numbered 5 below (which was in the sixth paragraph under Routine Uses in the notice of Proposed New System of Records) is a standard routine use, the intent and operation of which in the case of the new system of records is simply to allow this Agency to disclose, to a Federal, State, or local agency maintaining information pertinent to this Agency's decision on the fellowship grant, the fact that an individual is applying for one of the Agency's fellowships or some information from the application. This disclosure could be a factor in obtaining information which would verify the application or aid in the decision to make the fellowship grant.

Accordingly, with these changes, and as required by 5 U.S.C. 552a(e)(4), the U.S. Arms Control and Disarmament Agency hereby gives notice of the existence and character of the system of records published on April 21, 1978 in the FEDERAL REGISTER (43 FR 17020-17021) as set forth below.

Dated: June 14, 1978.

JAMES T. HACKETT,
Administrative Director.

ACDA-15

System Name:

Fellowship Grants Records—ACDA

System location:

Agency Headquarters, Department of State Building, 320 21st Street N.W., Washington, D.C. 20451.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

Available to ACDA Officials for use in evaluation of applications for grants. Available to the final selection committee, consisting of ACDA Offi-

cials and academic advisors for use in evaluations of applications for grants. Available to ACDA Officials for use in the administration of the grant program.

Also see the Prefatory Statement of Routine Uses; the routine uses numbered 1, 2, 3, 4, 5, 6, and 9, apply to, and are incorporated by reference into this system of records.

Policies and practices for storing, retrieving, accessing, retaining and disposing of records in the system:

Storage:

Maintained in standard file folders.

Retrievability:

Filed alphabetically by last name.

Safeguards:

Records maintained in bar-lock steel cabinet.

Retention and disposal:

Records of unsuccessful applicants are maintained only until a final decision is made regarding the application and are then destroyed. Records of successful applicants are retained until completion of the fellowship. Basic information on all applicants necessary for administration of the program will be retained indefinitely.

System manager(s) and address:

Fellowship Grants Project Officer,
U.S. Arms Control and Disarmament Agency, Washington, D.C. 20451.

Notification procedure:

Privacy Act Officer, Room 5534.

Record access procedures:

Same as above.

Contesting record procedures:

Same as above.

Record source categories:

Individual applicants, academic records, letters of recommendation, application evaluations.

PREFATORY STATEMENT OF ROUTINE USES

The following routine uses apply to, and are incorporated by reference into, each system of records as indicated in the parenthesis which follows each routine use:

1. Disclosure may be made to a congressional office as a routine use from the record of an individual in response to an inquiry from the congressional office made at the request of that individual. (All ACDA systems of records)
2. A record from this system of records may be disclosed to officers and employees of a Federal agency for purposes of audit. (All ACDA systems of records)
3. A record from this system of records may be disclosed to officers and employees of the General Services Administration in connection with administrative services provided to this agency under agreement with GSA. (All ACDA systems of records)
4. In the event that these records indicate a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation rule or order issued pursuant thereto, the relevant records in the system of records may be referred, as a routine use, to the appropriate agency, whether Federal, State, local or foreign, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation or order issued pursuant thereto. (ACDA systems of records—numbers 1, 2, 3, 5, 6, 8, 9, 13, 14, 15)
5. A record from this system of records may be disclosed as a routine use to a Federal, State or local agency maintaining civil, criminal or other relevant enforcement information or other pertinent information, such as current licenses, if necessary to obtain information relevant to an agency decision concerning the hiring or retention of an employee, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant or other benefit. (ACDA systems of records—numbers 1, 2, 3, 5, 6, 8, 9, 13, 14, 15)
6. A record from this system of records may be disclosed to a Federal agency, in response to its request, in connection with the hiring or retention of an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter. (ACDA systems of records—numbers 1, 2, 3, 5, 6, 8, 9, 13, 14, 15)
7. A record from this system of records may be disclosed to an authorized appeal grievance examiner, formal complaints examiner, equal employment opportunity investigator, arbitrator or other duly authorized official engaged in investigation or settlement of a grievance, complaint, or appeal filed by an employee. (ACDA systems of records—numbers 1, 3, 5, 6, 8, 13, 14)
8. A record from this system of records may be disclosed to the United States Civil Service Commission in accordance with that agency's responsibility for evaluation and oversight of Federal personnel management. (ACDA systems of records—numbers 1, 2, 3, 8, 13, 14)
9. The information contained in this system of records will be disclosed to

the Office of Management and Budget in connection with the review of private relief legislation as set forth in OMB Circular No. A-19 at any stage of the legislative coordination and clearance process as set forth in that circular. (ACDA systems of records—numbers 1, 3, 8, 13, 14, 15)

[FR Doc. 78-17145 Filed 6-20-78; 8:45 am]

[6320-01]

CIVIL AERONAUTICS BOARD

[Docket 328301]

FLORIDA-MEXICO CITY INVESTIGATION

Prehearing Conference

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on July 26, 1978, at 9:30 a.m. (local time), in Room 1003, Hearing Room C, Universal North Building, 1875 Connecticut Avenue, NW., Washington, D.C., before the undersigned.

In order to facilitate the conduct of the conference, parties are instructed to submit one copy to each party and six copies to the Judge of (1) proposed statements of issues in addition to those set out at ordering paragraph 2 of Order 78-6-59; (2) proposed stipulations; (3) proposed requests for information and for evidence; (4) statements of positions; and (5) proposed procedural dates. The Bureau of International Aviation will circulate its material on or before July 11, 1978, and the other parties shall do the same on or before July 19, 1978. The submissions of the other parties shall be limited to points on which they differ with the Bureau of International Aviation, and shall follow the numbering and lettering used by the Bureau to facilitate cross-referencing. The parties are encouraged to communicate among themselves in preparation for the conference with a view toward expediting the proceedings.

Dated at Washington, D.C., June 15, 1978.

MARVIN H. MORSE,
Administrative Law Judge.

[FR Doc. 78-17132 Filed 6-20-78; 8:45 am]

[6320-01]

[Docket 32152]

LAS VEGAS-TEXAS CASE

Second Prehearing Conference

Notice is hereby given that a second prehearing conference in the above-entitled matter (formerly styled the *Las Vegas-Houston Competitive Service Investigation*, Docket 32152) is assigned to be held on July 6, 1978, at 9:30 a.m. (local time), in Room 1003, Hearing Room C, Universal North

Building, 1875 Connecticut Avenue, NW., Washington, D.C., before the undersigned.

For information concerning the issues involved and other details of the proceeding, interested persons are referred to the Prehearing Conference Report in Docket 32152 served April 5, 1978, the order issued by the undersigned on June 16, 1978, and other material on file in this proceeding in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., June 16, 1978.

WILLIAM A. KANE, Jr.,
Administrative Law Judge.

[FR Doc. 78-17133 Filed 6-20-78; 8:45 am]

[6320-01]

[Order 78-6-87; Docket Nos. 31955, 30550, 31928, 32055]

TWIN CITIES-LAS VEGAS/PHOENIX/SAN DIEGO ROUTE PROCEEDING

Order

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on the 13th day of June, 1978.

By Order 78-1-20 the Board instituted the *Twin Cities-Las Vegas/Phoenix/San Diego Proceeding* to determine whether the public convenience and necessity require the certification of one or more air carriers to engage in nonstop air transportation between Minneapolis/St. Paul (Twin Cities), on the one hand, and Las Vegas, Phoenix and San Diego, on the other. The order granted the motion of Hughes Air Corp. d.b.a. Hughes Airwest and North Central Airlines for hearing, consolidated the applications of Airwest (Docket 30550), NCA (Dockets 30937 and 30942), Allegheny Airlines (Docket 30630), Northwest Airlines (Docket 30548) and United Air Lines (Docket 31074), named the parties to the proceeding,¹ and provided for the filing of additional applications and motions to consolidate within 20 days.

Additional timely applications to provide services within the defined scope of this proceeding have been filed by NCA (Docket 31928), American Airlines, Inc. (Docket 32055), and Airwest (amendment No. 1 to Docket 30550). Each of these applications was accompanied by a motion to consolidate it into Docket 31955, the investigation the Board instituted. Since the issues in these applications are the

¹By Order 78-3-135, Western Air Lines, Inc., and the Arizona Department of Transportation were granted leave to intervene; by Order 78-5-37, the city of Phoenix, Arizona, and the Phoenix Metropolitan Chamber of Commerce, and the Niagara Frontier Transportation Authority and the Buffalo Area Chamber of Commerce were also granted leave to intervene.

same as those in the investigation, we find that their consolidation into Docket 31955 will be conducive to the proper dispatch of the Board's business and to the ends of justice and will not unduly delay this proceeding.

Accordingly, it is ordered that:

1. The motions to consolidate of Airwest, American, and NCA be granted.
2. The applications of Airwest in its amendment to Docket 30550, and American in Docket 32055, and NCA in Docket 31928 be consolidated into the proceeding in Docket 31955, to the extent that these applications are within the scope of this proceeding.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Secretary.

[FR Doc. 78-17134 Filed 6-20-78; 8:45 am]

[6325-01]

CIVIL SERVICE COMMISSION

Federal Prevailing Rate Advisory Committee

OPEN COMMITTEE MEETINGS

Pursuant to the provisions of section 10 of the Federal Advisory Committee Act (P.L. 92-463), notice is hereby given that meetings of the Federal Prevailing Rate Advisory Committee will be held on:

Thursday, July 6, 1978
Thursday, July 13, 1978
Thursday, July 20, 1978

The meetings will convene at 10 a.m., and will be held in Room 5A06A, Civil Service Commission Building, 1900 E Street, NW., Washington, D.C.

The Federal Prevailing Rate Advisory Committee is composed of a Chairman, representatives of five labor unions holding exclusive bargaining rights for Federal blue-collar employees, and representatives of five Federal agencies. Entitlement to membership on the Committee is provided for in 5 U.S.C. 5347.

The Committee's primary responsibility is to review the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV, chapter 53, 5 U.S.C., as amended, and from time to time advise the Civil Service Commission thereon.

These scheduled meetings will convene in open session with both labor and management representatives attending. During the meeting either the labor members or the management members may caucus separately with the Chairman to devise strategy and formulate positions. Premature disclosure of the matters discussed in these caucuses would impair to an unacceptable degree the ability of the

Committee to reach a consensus on the matters being considered and disrupt substantially the disposition of its business. Therefore, these caucuses will be closed to the public on the basis of a determination made by the Chairman of the Civil Service Commission under the provisions of Section 10(d) of the Federal Advisory Committee Act (P.L. 92-463) and 5 U.S.C. section 552b(c)(9)(B). These caucuses may, depending on the issues involved, constitute a substantial portion of the meeting.

Annually, the Committee publishes for the Civil Service Commission, the President, and Congress a comprehensive report of pay issues discussed, concluded recommendations thereon, and related activities. These reports are also available to the public, upon written request to the Committee Secretary.

Members of the public are invited to submit material in writing to the Chairman concerning Federal Wage System pay matters felt to be deserving of the Committee's attention. Additional information concerning this meeting may be obtained by contacting the Secretary, Federal Prevailing Rate Advisory Committee, Room 1338, 1900 E Street, NW., Washington, D.C. 20415 (202-632-9710).

Dated: June 16, 1978.

JEROME H. ROSS,
Chairman Federal Prevailing
Rate Advisory Committee.

[FR Doc 78-17194 Filed 6-20-78; 8:45 am]

[3510-24]

DEPARTMENT OF COMMERCE

Economic Development Administration

COMPATIBLES, ET AL.

Petitions for Determinations of Eligibility to Apply for Trade Adjustment Assistance

Petitions were accepted for filing from three firms: (1) Compatibles, 664 South Anderson Street, Los Angeles, California 90023, a producer of shoes for women and children (accepted June 12, 1978); (2) Swainsboro Print Works, Inc., P.O. Box 130, Swainsboro, Georgia 30401, a producer of printed fabrics (accepted June 13, 1978); and (3) Print Fashions, Inc., 9th and Linden Streets, Bethlehem, Pennsylvania 18017, a producer of printed apparel (accepted June 13, 1978). The petitions were submitted pursuant to Section 251 of the Trade Act of 1974 (P.L. 93-618) and § 315.23 of the Adjustment Assistance Regulations for Firms and Communities (13 CFR Part 315).

Consequently, the United States Department of Commerce has initiated separate investigations to determine whether increased imports into the

United States of articles like or directly competitive with those produced by each firm contributed importantly to total or partial separation of the firm's workers, or threat thereof, and to a decrease in sales or production of each petitioning firm.

Any party having a substantial interest in the proceedings may request a public hearing on the matter. A request for a hearing must be received by the Chief, Trade Act Certification Division, Economic Development Administration, U.S. Department of Commerce, Washington, D.C. 20230, no later than the close of business of the tenth calendar day following the publication of this notice.

CHARLES L. SMITH,
Acting Chief, Trade Act Certifi-
cation Division, Office of
Planning and Program Sup-
port.

[FR Doc. 78-17039 Filed 6-20-78; 8:45 am]

[3510-03]

Maritime Administration

[Docket No. S-615]

COVE VENTURES INC.

Notice of Application

A Notice was published in the FEDERAL REGISTER issue of June 2, 1978 (43 FR 24114), advising that Cove Ventures Inc. (Ventures), an applicant for an operating-differential subsidy (ODS) contract in the grain trade to Russia, requested certain written permissions under section 805(a) of the Merchant Marine Act, 1936, as amended (the Act). Such written permissions are required if approval of Ventures' application for subsidy is to be granted. Ventures is affiliated with Cove Tankers Corporation (Tankers) and Cove Trading Inc. (Trading). Tankers holds an ODS contract and Trading is an applicant for an ODS contract in the grain trade to the U.S.S.R. Therefore, the written permissions requested by Ventures would be extended to Tankers and Trading. Conversely, the written permissions already granted to Tankers and Trading would be extended to Ventures.

By letter of June 13, 1978, attorneys for Ventures advised that an officer and director of each of Ventures, Trading, and Tankers owns a pecuniary interest in Seatrain Lines, Inc. (Seatrain) through ownership of approximately 5.66 percent of the stock in Seatrain. Seatrain operates vessels in the domestic trade, including the Alaska/Panama trade and certain Military Sealift Command operations. Public notice of all domestic trade operations has been previously given and section 805(a) approval has been given where pertinent.

The foregoing written permission is required notwithstanding the fact that

a grain voyage would not be eligible for subsidy if the vessel engages in the domestic trade on that voyage.

Any person, firm, or corporation having any interest (within the meaning of section 805(a)) in such application and desiring to be heard on issues pertinent to section 805(a) and desiring to submit comments or views concerning the application must, by close of business on June 22, 1978, file same with the Secretary, Maritime Administration, in writing, in triplicate, together with petition for leave to intervene which shall state clearly and concisely the grounds of interest, and the alleged facts relied on for relief.

If no petitions for leave to intervene are received within the specified time or if it is determined that petitions filed do not demonstrate sufficient interest to warrant a hearing, the Maritime Administration will take such action as may be deemed appropriate.

In the event petitions regarding the relevant section 805(a) issues are received from parties with standing to be heard, a hearing will be held, the purpose of which will be to receive evidence under section 805(a) relative to whether the proposed operations (a) could result in unfair competition to any person, firm, or corporation operating exclusively in the coastwise or intercoastal service, or (b) would be prejudicial to the objects and policy of the Act relative to domestic trade operations.

(Catalog of Federal Domestic Assistance Program No. 11.504 Operating-Differential Subsidies (ODS).)

By Order of the Assistant Secretary for Maritime Affairs.

Dated: June 15, 1978.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc. 78-17033 Filed 6-20-78; 8:45 am]

[3510-49]

National Fire Prevention and Control Administration

ADVISORY COMMITTEE ON FIRE TRAINING AND EDUCATION FOR THE NATIONAL ACADEMY FOR FIRE PREVENTION AND CONTROL

Open Meeting

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), announcement is made of the following committee meeting:

NAME: Advisory Committee on Fire Training and Education for the National Academy for Fire Prevention and Control (Committee).

DATE OF MEETING: July 13-14, 1978.

PLACE: Old Town Holiday Inn, 480 King Street, Alexandria, Va., Room: Brent 1.

TIME: 9 a.m. to 5 p.m.

PROPOSED AGENDA: Complete review of final draft of final report.

The meeting will be open to the public with approximately 20 seats available on a first-come, first-served basis.

Minutes of the meeting will be prepared by the Committee and will be available for public viewing in Room 214, National Fire Prevention and Control Administration, 2400 M Street NW., Washington, D.C. Copies of the minutes will be available upon request 30 days after the meeting.

Dated: June 15, 1978.

DAVID A. LUCHT,
Deputy Administrator, National
Fire Prevention and Control
Administration.

[FR Doc. 78-17062 Filed 6-20-78; 8:45 am]

[3910-01]

DEPARTMENT OF DEFENSE

Department of the Air Force

PAVE PAWS RADAR SYSTEMS

Intent To Prepare Environmental Impact Statements

The United States Air Force intends to prepare individual Environmental Impact Statements (EIS) on the PAVE PAWS radar systems to be located on Otis Air Force Base (AFB) MA and Beale AFB CA.

The primary purpose of the PAVE PAWS radar systems is to detect and track ballistic missiles aimed toward the U.S. that were launched from submarines. Another role is to detect and track objects in space orbiting the earth. Both roles are vital for national defense.

Interested persons desiring to submit comments for consideration in the preparation of the EISs should address them to the Deputy for Environment and Safety (SAF/MIQ), Office of the Secretary of the Air Force, Washington, D.C. 20330, telephone 202-697-9297.

FRANKIE S. ESTEP,
Air Force Federal Register Liaison Officer, Directorate of Administration.

[FR Doc. 78-17052 Filed 6-20-78; 8:45 am]

[3910-01]

USAF SCIENTIFIC ADVISORY BOARD

Workshop

JUNE 12, 1978.

The participants of the USAF Scientific Advisory Board Workshop on Strategic Issues and the ICBM will hold a meeting on July 6-7, 1978 at the Aerospace Corporation facilities, Los Angeles, California, from 8:30 a.m. to 4:30 p.m. each day.

The participants will hold a preparatory meeting to organize the upcoming Summer Study. The discussions will be classified.

The meeting concerns matters listed in Section 552b(c) of Title 5, United States Code, specifically subparagraph (1) thereof, and accordingly, will be closed to the public.

For further information contact the Scientific Advisory Board Secretariat at (202) 697-8845.

FRANKIE S. ESTEP,
Air Force Federal Register Liaison Officer, Directorate of Administration.

[FR Doc. 78-17053 Filed 6-20-78; 8:45 am]

[3910-01]

USAF SCIENTIFIC ADVISORY BOARD

Meeting

JUNE 12, 1978.

The members of the USAF Scientific Advisory Board Aeronautics Panel will hold a meeting on July 11-12, 1978 at HQ MAC, Scott Air Force Base, Illinois from 8:30 a.m. to 4:30 p.m. each day.

The Panel will discuss ways in which the Scientific Advisory Board can better assist the Military Airlift Command in the accomplishment of its mission. The discussions will be classified.

The meeting concerns matters listed in Section 552b(c) of Title 5, United States Code, specifically subparagraph (1) thereof, and accordingly, will be closed to the public.

For further information contact the Scientific Advisory Board Secretariat at (202) 697-8845.

FRANKIE S. ESTEP,
Air Force Federal Register Liaison Officer, Directorate of Administration.

[FR Doc. 78-17054 Filed 6-20-78; 8:45 am]

[3910-01]

USAF SCIENTIFIC ADVISORY BOARD

Meeting

JUNE 7, 1978.

The USAF Scientific Advisory Board Logistics Cross-Matrix Panel will meet on July 13 and 14, 1978 at Hill Air Force Base, Utah. The meetings will be from 9:00 a.m. to 4:30 p.m. each day. The purpose of the meetings is to review organization and structure of the support agencies of the Air Force.

The meetings will be open to the public. For further information con-

tact the Scientific Advisory Board Secretariat at 202-697-4811.

FRANKIE S. ESTEP,
Air Force Federal Register
Liaison Officer,
Directorate of Administration.

[FR Doc. 78-17055 Filed 6-20-78; 8:45 am]

[3910-01]

JOINT CHIEFS OF STAFF UNITED STATES READINESS COMMAND; JOINT READINESS EXERCISE GALLANT EAGLE 79

Intent to Prepare Draft Environmental Impact Statement

JUNE 16, 1978.

Notice is hereby given that, pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969 and 32 CFR 214.8, the United States Readiness Command announces its intent to prepare a Draft Environmental Impact Statement for the proposed Joint Readiness "Exercise GALLANT EAGLE 79."

GALLANT EAGLE 79 is a joint exercise directed by the Joint Chiefs of Staff and sponsored by the United States Readiness Command. This proposed exercise is scheduled to be conducted in the southeast, preferably at the Eglin Air Force Base Test Range Complex, Florida, and adjacent coastal waters during the period October 17-November 16, 1978. An alternate installation under consideration is Fort Stewart, Georgia.

This exercise will involve approximately 23,000 personnel in joint air and ground operations. The field training portion of the exercise will take place for approximately eight days.

Questions should be directed to Lt. Col. Domal, U.S. Readiness Command, MacDill Air Force Base, Florida 33608 (813-830-3831).

FRANKIE S. ESTEP,
Air Force Federal Register Liaison Officer, Directorate of Administration.

[FR Doc. 78-17113 Filed 6-20-78; 8:45 am]

[3710-08]

Department of the Army

PRIVACY ACT OF 1974

Deletions and Amendments to Systems of Records

AGENCY: Department of the Army, DOD.

ACTION: Notice of deletions and amendments to systems of records.

SUMMARY: The Army proposes to delete four and amend one systems of records subject to the Privacy Act of

1974. Specific changes to the system being amended are set forth below followed by the system published in its entirety as amended.

DATES: This system shall be amended as proposed without further notice on July 21, 1978, unless comments are received on or before July 21, 1978, which would result in a contrary determination and require republication for further comments.

ADDRESS: Any comments, including written data, views or arguments concerning the amendments should be addressed to the System Manager identified in the record system concerned.

FOR FURTHER INFORMATION CONTACT:

Mr. Cyrus H. Fraker, The Adjutant General Center (DAAG-ARM-R), Department of the Army, 1000 Independence Avenue SW., Washington, DC 20314, Telephone: (202) 693-0973.

SUPPLEMENTARY INFORMATION: The Department of Army systems of records notices inventory subject to the Privacy Act of 1974 (5 U.S.C. 552a), Pub. L. 93-579 have been published in the FEDERAL REGISTER as follows.

FR Doc. 77-28255 (42 FR 50398) September 28, 1977

FR Doc. 77-32975 (42 FR 59099) November 15, 1977

FR Doc. 78-1855 (43 FR 3152) January 23, 1978

FR Doc. 78-9239 (43 FR 14713) April 7, 1978
FR Doc. 78-9713 (43 FR 15353) April 12, 1978

The proposed amendments are not within the purview of the provisions of 5 U.S.C. 552a(o) of the Act which requires the submission of a new or altered system report.

MAURICE W. ROCHE,
Director, Correspondence and
Directives, Washington Headquarters Services, Department
of Defense.

JUNE 16, 1978.

DELETIONS

A0614.03bOSA

System name: Equal Employment Complaint File (42 FR 50510) September 28, 1977.

Reason: This system is covered by CSC/GOVT-1 (42 FR 48737) September 23, 1977.

A0715.07aAMC

System name: Personnel Utilization Reporting System (42 FR 50552) September 28, 1977.

Reason: This system is covered by A0309.05aDAAG (42 FR 50552) September 28, 1977.

A1001.07cDAMO

System name: Mailing List for PARAMETERS, USAWC Journal (42 FR 50601) September 28, 1977.

Reason: Records are covered by A0102.03bDAAG (42 FR 50430) September 28, 1977.

A1301.05aDAMA

System name: Army Scientific Advisory Panel Personnel Files (42 FR 50643) September 28, 1977.

Reason: This system is covered by A0221.01aOSA (42 FR 50435) September 28, 1977.

AMENDMENTS

A0609.01aDASG

System name: Individual Radiation Protection Files (42 FR 50508) September 28, 1977.

Changes:

System location: Delete entries and substitute the following:

Primary System: Army installations/activities which possess, use, or store radiation producing devices or radioactive materials.

Decentralized Segment: Nucleonics Section, Quality Assurance Division, Lexington Blue Grass Depot Activity, Lexington, KY.

Categories of individuals covered by the system: Delete "." and add: "and occasionally exposed and monitored visitors."

Categories of records in the system: Delete entry and substitute the following:

Installation personnel and Radiation Protection Committee files contain documents, DD Forms 1952, DD Forms 1141, DA Forms 3484, exposed dosimetry film, and related papers reflecting the training, experience, and certification of individual radiation workers to handle specific sources of ionizing radiation; summary listings of certified individuals; external exposures to ionizing radiation, including personnel dosimetry results and reports of film badge readings; and internal exposures to radioactive materials; including analysis of biological specimens and whole-body counts.

Lexington Blue Grass Depot Activity automated dosimetry file contains data elements reflecting individual name, social security number, film badge number, coded cross-reference to place of assignment at time of exposure, from-to dates of exposure and radiation dose, cumulative quarterly, annual and life-time dose, type of measuring device, and coded cross-reference to qualifying data regarding exposure readings.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses: Delete entry and substitute the following:

To insure individual qualifications to handle radioactive materials; to monitor, evaluate, and control the risks of individual exposures to ionizing radiation or radioactive materials by comparison of both current (short-term) and long-term exposures; to provide radiation data to other Federal agencies, academic institutions, and non-governmental agencies, such as the National Council on Radiation Protection and Measurement and the National Research Council, authorized to conduct radiation research, evaluation, and monitoring.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage: Delete entry and substitute: "File folders, film packets, magnetic tape/disk."

Retrievability: Change to read: "File alphabetically by name; automated data retrievable by name, social security number, or automatic data processing parameters."

Safeguards: Delete "." and add: "; access to computer operations room is controlled by card key system, which requires positive identification and authorization."

Retention and disposal: Insert before entry "Certified user listing files: . . ."

Notification procedure: Following "HQDA", change to read: "(DASG-PSP)".

Record access procedures: After "HQDA", change to read: "(DASG-PSP)".

Record source categories: Delete entry and substitute therefore: "Monitored individuals and exposed dosimetry film."

A0609.01aDASG

System name:

609.01 Individual Radiation Protection Files.

System location:

Primary System: Army installations/activities which possess, use, or store radiation producing devices or radioactive materials.

Decentralized Segment: Nucleonics Section, Quality Assurance Division, Lexington Blue Grass Depot Activity, Lexington, KY.

Categories of individuals covered by the system:

All Army personnel, civilian and military, occupationally exposed to hazards of ionizing radiation and occasionally exposed and monitored visitors.

Categories of records in the system:

Installation personnel and Radiation Protection Committee files contain documents, DD Forms 1952, DD Forms 1141, DA Forms 3484, exposed

dosimetry film, and related papers reflecting the training, experience, and certification of individual radiation workers to handle specific sources of ionizing radiation; summary listings of certified individuals; external exposures to ionizing radiation, including personnel dosimetry results and reports of film badge readings; and internal exposures to radioactive materials, including analysis of biological specimens and whole-body counts.

Lexington Blue Grass Depot Activity automated dosimetry file contains data elements reflecting individual name, social security number, film badge number, coded cross-reference to place of assignment at time of exposure, from-to dates of exposure and radiation dose, cumulative quarterly, annual and life-time dose, type of measuring device, and coded cross-reference to qualifying data regarding exposure readings.

Authority for maintenance of the system:
10 CFR 35; 10 CFR 20; Title 44 U.S.C., Section 3101; Title 5 U.S.C., Section 301.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

To insure individual qualifications to handle radioactive materials; to monitor, evaluate, and control the risks of individual exposures to ionizing radiation or radioactive materials by comparison of both current (short-term) and long-term exposures; to provide radiation data to other Federal agencies, academic institutions, and non-governmental agencies, such as the National Council on Radiation Protection and Measurement and the National Research Council, authorized to conduct radiation research, evaluation, and monitorship.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage:

File folders, film packets, magnetic tape/disk.

Retrievability:

Filed alphabetically by name, automated data retrievable by name, social security number, or automatic data processing parameters.

Safeguards:

Buildings employ security guards. Records are maintained in areas accessible only to authorized personnel who are properly screened and trained; access to computer operations room is controlled by card key system, which requires positive identification and authorization.

Retention and disposal:

Certified user listing files: Retained 5 years after reassignment, transfer or separation of individual.

Personnel Dosimetry files: Permanent. Processed film indicating normal exposure is retained 5 years after evaluation and recorded on permanent records.

Personnel Bioassay files: Permanent medical records.

System manager(s) and address:

The Surgeon General, Headquarters, Department of the Army (HQDA), The Pentagon, Washington, DC 20310.

Notification procedure:

Information may be obtained by written request to:

HQDA (DASG-PS), Room 2D-453, The Pentagon, Washington, DC 20310.

Record access procedures:

Requests should be addressed to: Office of The Surgeon General, HQDA (DASG-PSP), Room 2D-453, The Pentagon, Washington, DC 20310.

All requests should be written since files are not stored in HQDA. If telephone conversation is desired, at the expense of the inquirer, area code and telephone number will be furnished.

Personal visits by the individual requesting access may be arranged only with the official assigned to respond to a written request.

Contesting record procedures:

The Army's rules for contesting contents and appealing initial determination may be obtained from the SYS-MANAGER.

Record source categories:

Monitored individuals and exposed dosimetry film.

Systems exempted from certain provisions of the act:

None.

[FR Doc. 78-17146 Filed 6-20-78; 8:45 am]

[3128-01]

DEPARTMENT OF ENERGY

Economic Regulatory Administration

[ERA Docket No. IE-78-1; FPC Docket No. E-6751]

MAINE PUBLIC SERVICE CO.

Filing

On May 12, 1978, the Maine Public Service Company filed an application for modification of its present authority to export electric energy to Canada. The Applicant desires to increase the limits for energy delivered to its Canadian subsidiary, Maine and New Brunswick Electric Power Company,

Limited, and to increase the limits for energy redelivered to the New Brunswick Electric Power Commission in Canada. The Applicant's subsidiary is a corporation organized under the laws of the Province of New Brunswick. The New Brunswick Electric Power Commission is a statutory body created by an act of the legislature of that Province.

The Applicant requests authority to transmit to Canada for delivery to its subsidiary, an amount of energy sufficient to meet the requirements of the subsidiary's customers during such periods as the subsidiary shuts down in whole or in part the operations of its Tinker hydro plant, either to enable the Applicant to store water in its reservoir to permit optimum use of hydro resources, or during breakdown or unavoidable outages of said Tinker hydro plant. In the year ending December 31, 1977, the annual power and energy requirements are 3660 kW and 14,923,000 kWh. The Applicant states that in the next ten years the annual requirements are not expected to exceed 9800 kW and 40,000,000 kWh.

The Applicant represents that, under normal operating conditions, the amount of energy transmitted by the Applicant to Canada for redelivery to the New Brunswick Commission will equal the energy (minus losses) being simultaneously delivered by the New Brunswick Commission over the southern interconnection for such transmission and redelivery over interconnections in the vicinity of Madawaska, Maine. The source of such energy will be energy generated by the New Brunswick Commission in Canada. The estimated maximum quantities of power and energy involved are 50,000 kilowatts and 250,000,000 kilowatt-hours annually. The Applicant further represents that the amount of electric energy exported to Canada by the Applicant will, at all times, be limited to the amount of energy the Applicant can make available at that time without impairing service to its customers in the United States.

The Applicant states that rates to be charged the New Brunswick Commission (as well as the New Brunswick Commission's rates to be charged the Applicant) are set forth in Articles V and VII of the Interconnection Agreement between the two parties, dated February 4, 1957, as amended by Amendment to the Interconnection Agreement, dated June 20, 1963. Copies of both are attached to the application.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Director, Division of Power Supply and Reliability, Economic Regulatory Administration, 1111 20th Street NW., Room 4070, Washington, D.C. 20461,

in accordance with sections 1.8 and 1.10 of the rules of Practice and Procedure (18 CFR 1.8, 1.10).

All such petitions and protests should be filed on or before June 27, 1978. Protests will be considered by ERA in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this application are on file with the Economic Regulatory Administration and will be available upon request for public inspection and copying at the ERA Docket Room, Room B-120, 2000 M Street NW., Washington, D.C. and at the Division of Power Supply and Reliability, Room 4070, 1111 20th Street NW., Washington, D.C.

Dated: June 14, 1978.

DOUGLAS C. BAUER,
Assistant Administrator for Util-
ity Systems,
Economic Regulatory
Administration.

[FR Doc. 78-17063 Filed 6-20-78; 8:45 am]

[3128-01]

[ERA Docket No. 77-010-LNG, FPC Docket Nos. CP77-100, et al.]

TENNECO ATLANTIC PIPELINE COMPANY, et al.

Oral Argument on Proposal to Import Liquefied Natural Gas into United States from Algeria

AGENCY: Department of Energy, Economic Regulatory Administration.

ACTION: Notice of oral argument on exceptions to the Administrative Law Judge's Decision.

SUMMARY: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) gives notice of oral argument in *Tenneco Atlantic Pipeline Company, et al.*, ERA Docket No. 77-010-LNG, FPC Docket Nos. CP77-100, et al., on applications for authority to import regasified liquefied natural gas (LNG) from Algeria into the United States via pipeline from an import terminal located in Canada, authority to construct and operate a pipeline delivery system and related facilities from the Canadian border southward, a presidential permit in accordance with Executive Order 10485, and authority to sell the imported LNG for resale in interstate commerce.

DATES: Oral Argument, July 18, 1978. Requests to argue, July 7, 1978. Address requests to Speak at Oral Argument to: Public Hearings Management, Department of Energy, Box TW, Room 2313, 2000 M Street, N.W., Washington, D.C. 20461.

FOR FURTHER INFORMATION CONTACT:

Mr. Finn K. Neilsen, 2000 M Street, N.W. (Room 6318), Washington, D.C. 20461. Telephone: (202) 254-9730. Barry Smoler, Office of General Counsel, 12th and Pennsylvania Ave., N.W. (Room 5116), Washington, D.C. 20461. Telephone: (202) 566-9380.

SUPPLEMENTARY INFORMATION:

A. BACKGROUND

On December 20, 1976, Tenneco Atlantic Pipeline Company (TAPCO), a wholly owned subsidiary of Tenneco, Inc., filed with the Federal Power Commission (FPC) an application pursuant to Section 3 of the Natural Gas Act for authority to import Algerian natural gas into the United States via Canada. Simultaneously, TAPCO and Tennessee Gas Pipeline Co. (Tennessee), a division of Tenneco, filed various applications with the FPC, pursuant to Section 7 of the Natural Gas Act and Executive Order No. 10485, to construct, own, and operate pipeline and related facilities for the receipt, delivery and sale of the natural gas to customers on the Tennessee system.

The FPC consolidated these proceedings. Hearings began on July 14, 1977, and originally concluded on September 23, 1977. By notice dated October 7, 1977, the proceeding was reopened to permit the receipt in evidence of late filed exhibits. Hearings were subsequently concluded on October 17, 1977.

On October 1, 1977, DOE was activated pursuant to Executive Order No. 12009, September 13, 1977 (42 FR 46267), and the function to approve natural gas importation under Section 3 of the Natural Gas Act was automatically transferred to and vested in the Secretary of Energy pursuant to Sections 301 and 402(f) of the Department of Energy Organization Act (Pub. L. 95-91) (the Act). The Secretary immediately delegated to the Federal Energy Regulatory Commission (FERC) the authority to carry out this function with respect to cases pending before it (DOE Delegation Order No. 0204-1, paragraph 11, October 1, 1977). By a DOE Final Rule issued October 1, 1977, entitled "Transfer of Proceedings to the Secretary of Energy and the Federal Energy Regulatory Commission", TAPCO was to continue under FERC jurisdiction until after the timely filing of all briefs on and opposing exceptions to the initial decision of the presiding Administrative Law Judge. Judge Nahum Litt issued an Initial Decision on November 2, 1977, in which he approved, subject to conditions, the applications as amended under Sections 3 and 7 of the Natural Gas Act and Executive Order 10485. All briefs on exceptions and opposing exceptions to the Initial Decision were filed with the FERC by December 7,

1977. On December 21, 1977, the record in TAPCO was forwarded to DOE in compliance with the Final Rule.

Pursuant to paragraph 6 of DOE Delegation Order No. 0204-4, issued October 1, 1977, the Secretary has delegated the authority to issue a final order in this proceeding to the Administrator of the ERA.

Notice is hereby given that ERA will hear oral argument with respect to the issues which are presented by this proceeding. The determination to be reached by ERA in this matter will be based upon the present record in this proceeding as forwarded to DOE on December 21, 1977, and upon any subsequent additions to the record which may be appropriate. In particular ERA requests that the oral arguments of the parties be focused upon the issues designated in Section B of this Notice. The hearing to receive oral arguments with respect to these issues will be held at 9:00 a.m., July 18, 1978, at Federal Plaza, Room 305C, 26 Federal Plaza, New York, New York 10007 and to continue the following day at the same time and location if necessary.

B. ISSUES TO WHICH ARGUMENT IS REQUESTED

1. *Issues Relating to Effect of Proposed Project on U.S. International Interests and Balance-of-Payments.*

a. What are the respective regulatory roles of the U.S. and Canadian Governments with respect to determining access to and processing and handling charges of transshipped gas from this project?

b. Were alternative domestic site locations for the terminal, regasification and storage facilities adequately considered?

c. Would the degree of reliance on a single foreign source of supply of LNG which would result from approval of this project in conjunction with other LNG import projects having the same source be in the national interest?

d. Are the force majeure provisions of the Sonatrach contract in the national interest?

e. What effect would approval of the project have on the U.S. balance-of-payments?

f. What effect would the denial of the present application have on the U.S. balance-of-payments both in the short run and the long run?

2. *Cost of Price Issues Relating to Sonatrach Contract with TAPCO*

a. Is a sales contract which affords the seller the higher of a cost-based "floor price" and a commodity-based "invoice price" in the public interest?

b. Is the "invoice price" mechanism, which includes a price escalator tied to specific price quotations for No. 2 and No. 6 fuel oil in New York Harbor, consistent with the public interest? In addressing this issue, particular atten-

tion might be given to whether any f.o.b. price escalator formula should be based upon (a) any crude oil or petroleum product prices; (b) a broad index of general economic conditions such as the Consumer Price Index or the Wholesale Price Index; or (c) any other relevant index.

c. Assuming a price escalator based upon petroleum product prices should be approved, is the specific price quotation mechanism designated in the Sonatrach sales contract a reasonable basis for such a price escalator?

d. Is a "floor price" mechanism which includes a price escalator formula based upon Sonatrach's undetermined capital investment, operating and maintenance costs for its facilities in Algeria in the public interest?

3. Issues Relating to Shipping Costs

a. Should full cost-of-service pricing be permitted for the construction, operation and maintenance costs associated with the shipping component of the project?

b. Should the automatic pass-through of all ship construction cost increases be permitted?

c. Is the method used by TAPCO to establish the freight rate for the ships which it owns in the public interest?

d. Is the method used by Sonatrach to compute the return for its share of the shipping component of the project in the public interest?

e. Will Sonatrach's proposal to have a subsidiary of Tennessee Gas build its LNG vessels be in the national interest and provide the most equitable terms possible?

f. Is the applicant's requested return on shipping reasonable given the lack of arms-length bargaining in the decision to award the ships' construction contract to its Newport News affiliate?

4. Cost and Price Issues Relating to Importation, Terminalling and Regasification of LNG and Resale of Natural Gas.

a. For purposes of analysis, what volumes of gas would the market clear if the price of the delivered LNG were the supply cost of all gas sold at retail by the gas distribution utilities supplied by Tennessee?

b. How much of the LNG could be marketed if it were sold to each purchasing distribution utility on individual, separate contracts?

c. Would the public interest be better served by requiring incremental pricing or rolled-in pricing at the wholesale level for the natural gas involved in this proceeding?

d. Would the public interest be served by a pricing mechanism which requires low priority industrial customers to pay a rate which is higher than the rate paid by higher priority customers?

e. Should the automatic pass-through of all service-related costs involved in the importation, terminall-

ing, regasification and resale into interstate commerce be permitted?

f. Should the decision of the Administrative Law Judge be modified so as to include, as a condition of the cost-plus pricing mechanism, safeguards to protect consumers against paying for inefficient operations or excessive costs?

g. To what extent should the risk of project failure and of supply curtailments be borne by: (1) the applicant? (2) the customers of Tennessee? or (3) the ultimate consumers of the natural gas?

i. Should potential domestic and foreign cost savings and tax benefits associated with the proposed project, such as liberal depreciation and investment tax credits, be passed through to consumers?

j. In the event of damage to any of the LNG facilities, foreign or domestic, or to any vessels involved in the transportation of LNG, (1) what obligations do the applicants have to promptly restore the facility so that natural gas will continue to be furnished to purchasers as generally contemplated by the project; and (2) to what extent if any should the costs involved in restoring such service be passed through to consumers?

5. Issues Relating to the Need for and Supply of Natural Gas in Market Areas Served by TAPCO.

a. Are the volumes of LNG from the proposed project needed in order to adequately serve the markets and each of the priority customer classifications which TAPCO intends to serve?

b. Would a market exist for all of the volumes of LNG involved in the project if incremental pricing of the gas is required at the wholesale level?

c. Would the project, at its present design capacity, be economically feasible if approval were given for the importation of a lower volume of LNG than requested by the applicant?

d. What reductions, if any, can be made in the design capacity of the project without impairing its economic feasibility?

e. What contingency plans, if any, should be required as an integral part of the project in order to protect the areas to be served by TAPCO from interruptions in supply?

f. Should approval of the project be conditioned upon Sonatrach's agreement pursuant to binding contingency plan to allocate LNG among alternative foreign customers during periods of reduced or suspended supply arising from technical problems?

6. Adequacy of the Record.

Is the record inadequate, and should it be reopened for receipt of additional evidence with respect to the above or any other issues?

C. REQUESTS TO SPEAK

Requests to argue must be filed with the Office of Public Hearings Manage-

ment, Box TW, Department of Energy, Room 2313, 2000 M Street NW., Washington, D.C. 20461, on or before July 7, 1978. Indicate the issues which will be addressed, and the argument time desired, and a person (with address and phone number) to accept ERA notification of the grant of argument time and the allotted time for argument. ERA will provide this notification by July 11, 1978.

ERA reserves the right to restrict the number of persons to be heard and to establish the procedures governing the conduct of the argument. Argument may be limited, based on the number of persons requesting argument time and the amount of time sought. The Administrator of ERA will be the presiding official at this argument and will determine, and announce at the commencement of the argument, procedural rules to be followed in the oral argument.

A transcript of the argument will be made and may be purchased from the reporter. The entire record of the oral argument will be retained by DOE and will be made available for inspection at the DOE Freedom of Information Office, Room 2107, 12th and Pennsylvania Avenue NW., Washington, D.C., 20461, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

Issued in Washington, D.C., June 14, 1978.

DAVID J. BARDIN,
Administrator, Economic
Regulatory Administration.

[FR Doc. 78-17064 Filed 6-20-78; 8:45 am]

[6560-01]

ENVIRONMENTAL PROTECTION AGENCY

[FRL 913-8]

STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

Intent To Modify Authority to Conduct the National Pollutant Discharge Elimination System (NPDES)

COMMENT PERIOD: Comments Received on or before July 19, 1978 will be considered.

PUBLIC NOTICE:

1. BACKGROUND

The Environmental Protection Agency (EPA) on September 26, 1973 approved authority of the State of Oregon Department of Environmental Quality (DEQ) to issue National Pollutant Discharge Elimination System (NPDES) permits for certain waste water discharge sources in the State of Oregon. The Federal Water Pollution Control Act Amendments of 1972 (FWPCA), as interpreted by the courts, prohibited the State issuance

of NPDES permits to federal agencies and instrumentalities. As a result of amendments in the Clean Water Act of 1977 (CWA) this restriction has been eliminated. The DEQ has applied for a modification of EPA's approval of the State of Oregon permitting authority to include the issuance of NPDES permits to federal agencies and instrumentalities. In addition, certain changes in the Memorandum of Agreement between the Director of DEQ and the Regional Administrator of EPA, which was approved as part of the previous program authorization, have been proposed. The most significant changes in the Memorandum of Agreement involve procedures for EPA review of proposed NPDES permits for certain classes and categories of dischargers, and procedures for coordination of DEQ and EPA compliance monitoring and enforcement activities.

2. REQUIREMENTS OF THE CLEAN WATER ACT RELATING TO REQUESTS FOR NPDES PERMITTING AUTHORITY

Section 402(b) of the Clean Water Act, 33 USC § 1342(b), provides that a state agency applying for authority to conduct an NPDES program must have authority to issue permits which assure compliance with certain other sections of the Clean Water Act, which meet certain requirements concerning surveillance and monitoring of waste water discharges, and which insure that the public receives notice of each application for a permit. In addition, the state agency must have the authority to abate violations of the permit of the permit program, including civil and criminal penalties and other methods of enforcement, and to assure that any industrial user of any publicly owned treatment works will comply with certain sections of the Act. A complete description of such requirements is contained in Section 402(b) of the CWA, 33 USC § 1342(b), and in Title 40, Code of Federal Regulations, Part 124.

3. PUBLIC COMMENTS

By this Notice the Environmental Protection Agency invites written public comment on DEQ's request for approval of its authority to conduct a NPDES permitting program for federal agencies and instrumentalities and on proposed changes to the Memorandum of Agreement. This comment period will end 30 days after the date of this Notice. EPA does not intend to hold a public hearing concerning this matter unless there appears to be sufficient public interest. DEQ's request and supporting documents can be inspected during regular business hours at the EPA Oregon Operations Office at 522 S.W., 5th Avenue, Portland, Oregon, and in the EPA Seattle Office (Water Compliance and Permits

Branch), at 1200 Sixth Avenue, Seattle, Washington. Any written comments concerning the potential approval of this modification of DEQ's NPDES permitting authority may be sent to the Water Compliance and Permits Branch at the EPA address above. All comments will be available for public inspection and copying.

4. FINAL DETERMINATION

A final determination and decision whether to approve DEQ's authority to issue NPDES permits for federal agencies and instrumentalities and to make changes in the Memorandum of Agreement, will be made by EPA's Administrator in Washington, D.C. All comments received concerning DEQ's request will be forwarded to the EPA Headquarters Office. The decision whether to approve or disapprove the proposed modification authority is expected no later than August 19, 1978.

Dated: June 9, 1978.

DONALD P. DUBOIS,
Regional Administrator,
Region X.

[FR Doc. 78-17069 Filed 6-20-78; 8:45 am]

[6560-01]

[FRL 910-31]

AQUIFERS UNDERLYING NASSAU AND SUFFOLK COUNTIES, NEW YORK

Determination

Notice is hereby given that pursuant to Section 1424(e) of the Safe Drinking Water Act (42 U.S.C. 300f, 300h-3(e); 88 Stat. 1660 et seq.; Pub. L. 93-523) the Administrator of the Environmental Protection Agency has determined that the aquifer system underlying Nassau and Suffolk Counties, Long Island, New York, is the principal source of drinking water for these counties and that, if the aquifer system were contaminated, it would create a significant hazard to public health.

BACKGROUND

The Safe Drinking Water Act was enacted on December 16, 1974. Section 1424(e) of the Act states: "If the Administrator determines, on his own initiative or upon petition, that an area has an aquifer which is the sole or principal drinking water source for the area and which, if contaminated, would create a significant hazard to public health, he shall publish notice of that determination in the FEDERAL REGISTER. After the publication of any such notice, no commitment for Federal financial assistance (through a grant, contract, loan guarantee, or otherwise) may be entered into for any project which the Administrator determines may contaminate such

aquifer through a recharge zone so as to create a significant hazard to public health but a commitment for Federal financial assistance may, if authorized under another provision of law, be entered into to plan or design the project to assure that it will not so contaminate the aquifer."

On January 21, 1975, the Environmental Defense Fund petitioned the Administrator to designate the aquifers underlying Nassau and Suffolk Counties, Long Island, New York, as a sole source aquifer under the provisions of the Act. A notice of receipt of this petition, together with a request for comments, was published in the FEDERAL REGISTER, Thursday, June 12, 1975. Written comments were submitted by the Environmental Defense Fund (EDF) on August 7, 1975, supporting their petition. A letter from the Director of the Nassau-Suffolk Regional Planning Board, dated October 1, 1976, requested that designation be delayed until after the completion of the areawide waste management (208) planning process for Long Island.

Because of the limited response to the FEDERAL REGISTER notice, EPA issued a press release and mailed an information sheet to elected officials and environmental groups on Long Island in March 1977. In addition, a presentation was made to the Citizens Advisory Committee (CAC) of the 208 planning agency and to the executive committee of the Long Island Water Conference. In response to these activities EPA received three comments: a letter from EDF questioning why project review would exclude direct Federal projects, a letter from a member of the East Hampton Planning Board expressing support for the designation, and a letter from the CAC requesting that designation be delayed until after the completion and approval of the Long Island 208 plan.

In considering the comments received, we could not agree with the letters requesting further delay since we do not believe that the review process under Section 1424(e) will constrain the options of 208 planning.

On the basis of the information which is available to this Agency, the Administrator has made the following findings, which are the basis for the determination noted above:

(1) The aquifers underlying Nassau and Suffolk Counties are the sole or principal drinking water source for the area. They supply good quality water for about 2.5 million people. Current water supply treatment practice for public supplies is generally limited to disinfection for drinking purposes, with some plants capable of nitrate removal. There are also numerous private sources. There is no alternative source of drinking water supply which could economically replace this aquifer system.

(2) The aquifer system is vulnerable to contamination through its recharge zone. Since contamination of a ground-water aquifer can be difficult or impossible to reverse, contamination of the the aquifer system underlying Nassau and Suffolk Counties, New York, would pose a significant hazard to those people dependent on the aquifer system for drinking purposes.

Among the determinations which the Administrator must make in connection with the designation of an area under Section 1424(e) is that the area's sole or principal source aquifer or aquifers, "if contaminated, would create a significant hazard to public health * * *". Obviously, threats to the quality of the drinking water supply for such a large population could create a significant hazard to public health. The EPA does not construe this provision to require a determination that projects planned or likely to be constructed will in fact create such a hazard; it is sufficient to demonstrate that approximately 2.5 million people depend on the aquifer system underlying Nassau and Suffolk Counties as their principal source of drinking water, and that the aquifer system is vulnerable to contamination through its recharge zone.

Section 1424(e) of the Act requires that a Federal agency may not commit funds to a project which may contaminate the aquifer system through a recharge zone so as to create a significant hazard to public health. The recharge zone is that area through which water enters into the aquifer system. Because of groundwater movement within these aquifers, the recharge zone is considered to be the entire area of Nassau and Suffolk Counties. However, both horizontal and vertical boundaries of the recharge zone are discussed in the background document under the section entitled "Area of Consideration."

The data upon which these findings are based are available to the public and may be inspected during normal business hours at the office of the Environmental Protection Agency, Region II, 26 Federal Plaza, New York, New York 10007. It includes a support document for designation of the aquifers underlying Nassau and Suffolk Counties, New York, and maps of the area within which projects will be subject to review.

A copy of the above documentation is also available at the U.S. Waterside Mall, Environmental Protection Agency, Public Information and Reference Unit, Room 2922, 401 M Street S.W., Washington, D.C. 20460.

The EPA has issued proposed regulations for the selective review of Federal financially assisted projects which may contaminate the aquifer system underlying Nassau and Suffolk Counties, New York, through the recharge

zone so as to create a significant hazard to public health. These proposed regulations were published in the FEDERAL REGISTER issue of September 29, 1977, and public comments were requested. They will be used as interim guidance for project review until their promulgation during 1978.

EPA, Region II, is working with the Federal agencies which may in the near future fund projects in the area of concern to EPA to develop inter-agency procedures whereby EPA will be notified of proposed commitments for projects which could contaminate the bicoastal area's sole source aquifer system. Although the project review process cannot be delegated, the Regional Administrator in Region II will rely to the maximum extent possible upon any existing or future State and local control mechanisms in protecting the ground-water quality of the aquifer system underlying Nassau and Suffolk Counties, New York. Included in the review of any Federal financially assisted project will be coordination with the State and local agencies. Their determinations will be given full consideration and the Federal review process will function so as to complement and support State and local mechanisms.

Dated: June 12, 1978.

DOUGLAS M. COSTLE,
Administrator.

[FR Doc. 78-17067 Filed 6-20-78; 8:45 am]

[6712-01]

FEDERAL COMMUNICATIONS COMMISSION

[CC Docket No. 78-149]

COMPILATION OF A LIST OF "GRANDFATHERED" PBX AND KEY TELEPHONE SYSTEMS

AGENCY: Federal Communications Commission.

ACTION: Issuance of an initial list of "grandfathered"-eligible PBX and Key telephone equipment.

SUMMARY: Under rules in Part 68 of the FCC's Rules which became effective June 1, 1978, Private Branch Exchange (PBX) and key telephone systems of the same design as such systems as were directly connected to the nationwide telephone network as of October 17, 1977 are eligible for "grandfathered" treatment, and may be connected to the telephone network up to July 1, 1979 without FCC registration in accordance with these rules. An initial list of such systems, by generic system designation, is issued herein to aid in resolution of disputes as to the eligibility of particular systems for "grandfathered" treatment. Additions and corrections to this initial list are solicited.

DATES: Proposed additions and corrections must be received on or before July 25, 1978.

ADDRESSES: Federal Communications Commission, Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT:

Michael S. Slomin, Policy and Rules Division, Common Carrier Bureau (202-632-9342).

In the matter of compilation of a list of "grandfathered" PBX and key telephone systems to implement the Commission's Third Report and Order in Docket No. 19528, and Part 68 of the Commission's Rules and Regulations (43 FR 21937, May 22, 1978). CC Docket No. 78-149.

ORDER AND LIST

Adopted: June 12, 1978.

Released: June 16, 1978.

By the Chief, Common Carrier Bureau:

1. In an order released May 11, 1978, CC-681, the Chief, Common Carrier Bureau directed AT&T and the larger Independent telephone companies to submit lists of all PBX and key telephone systems directly connected with the nationwide telephone network in their respective service areas as of October 17, 1977, to establish an initial list of such systems as eligible for "grandfathered" treatment under Part 68 of the FCC's Rules. The purpose of this list is not to determine eligibility for "grandfathered" treatment. This eligibility is determined by whether or not the equipment in fact was connected to the telephone network as of October 17, 1977, and not whether or not it appears on the list. The purpose of the list is to aid the Commission and the industry in resolving any disputes which may arise as to eligibility.

2. The attached list has been compiled by generic system designations, and not by specific identification of individual components which form these systems, to minimize administrative burdens to all affected parties. For that reason, to make the use of the list effective and to minimize to the extent feasible potential disputes between customers and telephone companies, the list should be interpreted and used as follows:

'It may properly be assumed that equipment which appears on the list is eligible for "grandfathered" treatment. Equipment which does not appear on the list may or may not be eligible for "grandfathered" treatment. The staff will add new equipments to the master list maintained at the FCC's offices as their eligibility is identified. Moreover, the public is being given 30 days from release of this list to propose additions thereto, and if necessary an updated version of this list will then be published.

Components which form, or which are ordinarily used and supplied with any of the generic systems eligible for "grandfathered" treatment may be mixed and connected together to form "grandfathered" system.²

Included in the information furnished the local telephone company pursuant to Section 68.215(e) must be a statement by the installation supervisor that all components of the particular system involved form part of, or are ordinarily used and supplied with generic PBX or key telephone systems which are eligible for "grandfathered" treatment.

3. We believe that the foregoing, if applied with reasonable cooperation by all affected parties, will adequately assure a smooth transition to operation under the new rules. If this does not prove to be the case, we will if necessary seek compilation of a list of all eligible components which form these systems, with all of the administrative burdens that compilation and use of such a list would entail.

4. As was indicated, the list attached hereto in Appendix A is only an initial one, and represents equipments eligible by virtue of their connection in a sample of the Nation's telephone companies. While we believe this sample to be comprehensive, it may not be complete. For that reason, interested members of the public (and particularly equipment manufacturers) are being given an opportunity to propose additions and corrections to this list during the next 30 days. At the end of that time period, an updated version will be issued, if necessary.

5. Accordingly, it is hereby ordered, Pursuant to para. 163 of the *Third Report and Order* in Docket No. 19528, FCC 78-248, released Apr. 13, 1978, That an initial list of "grandfathering"-eligible PBX and key telephone systems to aid in resolving disputes as to eligibility of particular systems IS HEREBY PUBLISHED in Appendix A hereto.

6. It is further ordered, That in order to make use of their list effective, and to minimize to the extent feasible potential disputes over eligibility of par-

ticular systems, the procedures of para. 2 above shall be followed.

JOSEPH A. MARINO,
Acting Chief,
Common Carrier Bureau

KEY TELEPHONE SYSTEMS

Automatic Electric Co. (also GTE Automatic Electric)

10A
10A1
10A2
16A
17A
17A1

I.T.T. (also ITT Kellogg; Kellogg)

K1A1
K1A2
CK3A1
K36A
K76A
MKS131

Iwatsu

1530 Omega Key Telephone Sys.

Lynch

LKTS-3
LKTS-6

NEC America (also Nippon)

12L
14 Patrician Key Tel. Sys.
14EX Patrician Key Tel. Sys.
21 Patrician Key Tel. Sys.
S24-1
28 Electra Key Tel. Sys.
PATTI Patrician Key Tel. Sys.

North Electric

No. 1

Northern Telecom (also Northern Electric)

1A1
1A2
SK1

Reliable Communications Products

SE1070

SAN/BAR

1A2
6610B

Stromberg Carlson

1A1
1A2
CUSTOM II

4X20

6A

6K1

3 LINE

T.I.E.

100

105

200

300

510

919

1030

1436

2050

Tone Commander

ML-800

Western Electric

1A

1A1

1A2

100

2A Commn. Sys.

3A Hosital Interfone

4A Call Distn. Sys.

4A ComKey #416

6A

7A ComKey #718

8A

14A ComKey #1434

21A ComKey #2152

32A Horizon

AUTOMATIC CALL DISTRIBUTION SYSTEMS

Automatic Electric (Also GTE Automatic Electric)

ACD

Collins Radio Group

GVS300D

GVS450D

Communications Equipment & Contracting

911

1020

3050

General Telephone of Calif.

EE-AM-91099

Stromberg Carlson

B

D

H

Western Electric

2A

2B

3A

6A Order Turret

ACD-ESS

PRIVATE BRANCH EXCHANGE (PBX) SYSTEMS

Anaconda Telecommunications (also Control Network Corp.)

CNC75

CNC75A

CNC75D

CNC120

CNC120D Hotel/Motel PBX Sys.

CNC120H

CNC150

CNC150A

CNC150AE

CNC300A

CNC300C

CNC300D

CNC300E

CNC300ECON.

CNC450D

CNC900D Hotel/Motel PBX Sys.

CNC1200

American Telecom

FOCUS II

Automatic Electric (also GTE Automatic Electric)

2A

2B

2C

3X12 Manual PBX Sys.

5

5X12 Manual PBX Sys.

7

8X20

12A Manual PBX Sys.

12B Manual PBX Sys.

16B Manual PBX Sys.

20

20A Manual PBX Sys.

20B Manual PBX Sys.

20B1 Manual PBX Sys.

25M

31C Manual PBX Sys.

33A6A

33ALA

33A19

37

40

40A

40B

40M

44

50

50B

L55 Manual PBX Sys.

L55A3 Manual PBX Sys.

L55B4 Manual PBX Sys.

L55-200 Manual PBX Sys.

75

75B

80

²For example, the generic designation "1A2 key telephone system" contemplates the use of certain plug-in cards and key telephone instruments. So long as the cards and telephones involved in a particular installation are within the generic listing of some manufacturer(s), even if different, no further information need be supplied. Any additional components, not within the generic systems eligible for "grandfathering" must be individually qualified for use, either as individually registered or "grandfathered."

80A	40B	<i>Stromberg Carlson</i>
80M	55	US13X10
85 Manual PBX Sys.	80	SC5
88	80A	SC6
88A	100T	USI10
95 Manual PBX Sys.	<i>NEC America (also Nippon)</i>	20 Manual Switchboard
100	NG4	USI20A
100M	NEAX12	USI21A
100T	NEAX31	USI30
TAS100	NA40	USI30A
GTD120	NE100	USI30B
121	NE100A	USI30C
300	NE100B	USI30E
301	NA120	USI30F
310	NA4-03	USI30G
311	NG403	USI30GH
320	NA404	USI30GR
GTX400	NA4-09	USI30H
507B Manual PBX Sys.	NA1000	USI31A
551 Manual PBX Sys.	<i>Norelco (also North American Phillips)</i>	SC37B
555 Manual PBX Sys.	UH30	SC40
GTD1000	UH45	USI40
DATS	UH300	USI40A
SXS	UH900	USI40B
EMERGENCY REPORTING SYS.	<i>North Electric</i>	USI40D
EMERGENCY CONFERENCE SYS.	NX1	USI40E
<i>Chestel</i>	NX2	F40
BCS50	UN2	F40A
BCS400	NX2A	F50
<i>Chester Electronics</i>	CX30	F50A
MSB/LLI-701 Presus PBX Sys.	30CAX	SC60
<i>Danray</i>	AKD50	80
CBX2000	CX60	F80
<i>Digital</i>	NR100	F80A
D-1000	CX100	F80C
D-1201	FXB106	F80T
D-1202	CX200	SC101
D-1203	AKD561	SC101C
<i>Ericsson (also L. M. Ericsson)</i>	AKD741	102
22	AKD751	SC104
CP-100 Manual PBX Sys.	CX1000	SC104C
741	NE1000	106
<i>Fujitsu</i>	SIMPLEX	106J
106	<i>Northern Telecom (also Northern Electric)</i>	116
106U	L55 Manual Switchboard	H119
304U	SE-1	120 Manual Switchboard
<i>Hitachi</i>	SE-2	E120
AX2S	SG1	F120
AX150	SG1A EPABX Sys.	120FJ
DAX1 (C2-18)	SL1	120FP
<i>I.T.T. (also ITT Kellogg; Kellogg)</i>	SL-IL	USI121
3X12	SL-IVL	SC121
3X35	SP1	121A
5X20	<i>OKI Electronics of America</i>	127F
TCS2	H-76	128F
20	AC120	129
CD50	150	131
K50-1	AC220	E160
K60	AC250	TS200
CD100	AC250B	FX200
TD100	KC260	400
120	<i>Philco-Ford (also Aeronautic Ford)</i>	400A
P200	PC512	400H
CX200	<i>Rolm Corp.</i>	440
TE200	CBX	800
H400	SCBX	800A
TE400	<i>Siemens</i>	800E
TE400A	10(31A) Motel PBX Sys.	1600
TD400E	USI-10	H
TE400E	USI-20	XY
TD400G	USI-30	FX
TE400G	USI-40	<i>Teleplex</i>
TE400H	USI-40A	SYSTEM 6
515	USI-40B	<i>Tel/Resources</i>
3001	USI-40D	TR32
3002	USI-40E	<i>T.I.E.</i>
5219A Emerg. Reporting Sys.	192	180
CROSSBAR PBX SYSTEM	SD192	<i>Toshiba International Corp.</i>
100 LINE CROSSBAR PBX SYS.	SD232	1240C
<i>Leich</i>	ESK400	<i>USI (Sweden)</i>
20B	ESK400E	31
49		<i>Wescom</i>
		501

502
503
509
580
920
921 Western Electric
506A Manual Switchboard
506B Manual Switchboard
507A Manual Switchboard
507B Manual Switchboard
551 Manual Switchboard
552B Manual Switchboard
552D Manual Switchboard
552E Manual Switchboard
555 Manual Switchboard
556A Manual Switchboard
557A Manual Switchboard
557B Manual Switchboard
558A Manual Switchboard
606A Manual Switchboard
606B Manual Switchboard
607A Manual Switchboard
607B Manual Switchboard
608A Manual Switchboard
608D Manual Switchboard
701A
701B
701PK
711A
711B
740B
740C
740E
740AX
755
756A
757A
761A
761B
770A
800A
801A
805A
812A
SS400
101ESS
1A Telephone Answering Serv.
508A Switching Sys.
520A Switching Sys.
520B Switching Sys.
520C Switching Sys.
520D Switching Sys.
520E Switching Sys.
SS301 Switching Sys.
SS302 Switching Sys.
SS303 Switching Sys.
SS304 Switching Sys.
SS305 Switching Sys.
SS306 Switching Sys.
SS307 Switching Sys.
SS308 Switching Sys.
SS309 Switching Sys.
SS310 Switching Sys.
758B Switching Sys.
758C Switching Sys.
50A Sys. Used With No. 1 ESS
51A Sys. Used With No. 1 ESS
60A
90A Sys. Used With No. 1 ESS
100 Dimension
400 Dimension
2000 Dimension

[FR Doc. 78-16989 Filed 6-20-78; 8:45 am]

[6720-01]

FEDERAL HOME LOAN BANK BOARD

[H.C. No. 248]

TSA FINANCIAL CORPORATION

Receipt of Application for Permission To Acquire Control of Topeka Savings Association, Topeka, Kansas

JUNE 16, 1978.

Notice is hereby given that the Federal Savings and Loan Insurance Corporation has received an application from TSA Financial Corporation for approval of acquisition of control of Topeka Savings Association, Topeka, Kansas, an insured institution, under the provisions of Section 408(e) of the National Housing Act, as amended (12 U.S.C. 1730a(e)), and Section 584.4 of the Regulations for Savings and Loan Holding Companies, said acquisition to be effected through the acquisition of an aggregate of 229,980 shares of the guarantee stock of Topeka Savings Association by means of various purchase and exchange agreements. Comments on the proposed acquisition should be submitted to the Director, or Deputy Director, Office of Examinations and Supervision, Federal Home Loan Bank Board, Washington, D.C. 20552, within 30 days of the date this Notice appears in the FEDERAL REGISTER.

RONALD A. SNIDER,
Assistant Secretary, Federal
Home Loan Bank Board.

[FR Doc. 78-17124 Filed 6-20-78; 8:45 am]

[6820-24]

GENERAL SERVICES ADMINISTRATION

[Federal Property Management Regs.;
Temporary Reg. F-468]

SECRETARY OF DEFENSE

Delegation of Authority

1. *Purpose.* This regulation delegates authority to the Secretary of Defense to represent the interests of the executive agencies of the Federal Government in an electric rate increase proceeding.

2. *Effective date.* This regulation is effective immediately.

3. *Delegation.* a. Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, particularly sections 201(a)(4) and 205(d) (40 U.S.C. 481(a)(4) and 486(d)), authority is delegated to the Secretary of Defense to represent the consumer interests of the executive agencies of the Federal Government before the Maryland Public Service Commission involving the application of the Southern Maryland Electric Cooperative, Inc., for a rate increase.

b. The Secretary of Defense may redelegate this authority to any officer, official, or employee of the Department of Defense.

c. This authority shall be exercised in accordance with the policies, procedures, and controls prescribed by the General Services Administration, and shall be exercised in cooperation with the responsible officers, officials, and employees thereof.

JAY SOLOMON,
Administrator of
General Services.

JUNE 12, 1978.

[FR Doc. 78-17095 Filed 6-20-78; 8:45 am]

[4110-12]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

SOCIAL SECURITY ADMINISTRATION

Delegation of Authority To Hold Hearings and
Render Decisions

Pursuant to section 1160(b)(4) of the Social Security Act (the Act), the Secretary of Health, Education, and Welfare (the Secretary) will provide, to health care practitioners and any other persons (including hospitals or other health care facilities, organizations or agencies) who provide health care services for which payment may be made under the Act, reasonable notice and opportunity for hearing on determinations made under section 1160(b)(4) of the Act. In the course of any hearing, the Secretary may administer oaths and affirmations; examine witnesses; and receive evidence.

Notice is hereby given that the Secretary has delegated to the Appeals Council, its members and Administrative Law Judges in the Social Security Administration's Bureau of Hearings and Appeals authority to hold hearings and render decisions under section 1160(b)(4) of the Act. This delegation is effective as of June 21, 1978. Such authority may not be redelegated.

Dated: June 7, 1978.

JOSEPH A. CALIFANO, Jr.,
Secretary of Health,
Education, and Welfare.

[FR Doc. 78-17109 Filed 6-20-78; 8:45 am]

[4210-01]

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

Office of the Secretary

[Docket No. D-78-503]

**DEPARTMENT-WIDE INSURANCE AND
BONDING FUNCTION**

Delegation of Authority

AGENCY: Department of Housing and Urban Development.

ACTION: Delegation of Authority.

SUMMARY: The Secretary is transferring the authority for carrying out all aspects of the Department-wide insurance and bonding function from the Federal Insurance Administrator to the Assistant Secretary for Housing-Federal Housing Commissioner. This transfer is ordered because the function involved is closely related to the Department's major goal of providing and maintaining housing and because housing programs are administered from the Office of the Assistant Secretary for Housing-Federal Housing Commissioner.

EFFECTIVE DATE: June 15, 1978.

FOR FURTHER INFORMATION
CONTACT:

Donald L. Cox, Office of General Counsel, Room 10278, Department of Housing and Urban Development, 451 7th Street S.W., Washington, D.C. 20410, telephone (202) 755-7055.

SUPPLEMENTARY INFORMATION: By a FEDERAL REGISTER Notice dated December 4, 1975, 40 FR 56710, the Secretary delegated to the Federal Insurance Administrator the authority for carrying out all aspects of the insurance and bonding function relating to the programs of the Department. The theory behind that delegation was that all insurance expertise and responsibility of the Department should be centered in one office. However, experience since the delegation was issued has shown that this function closely relates to the Department's housing activities and therefore should be carried out by the program office involved.

Accordingly, the Secretary delegates as follows:

Section A. Authority Delegated. The Assistant Secretary for Housing-Federal Housing Commissioner is authorized to exercise the responsibility and authority of the Secretary previously delegated to the Federal Insurance Administrator in the Delegation of Authority published in the FEDERAL REGISTER on December 4, 1975, at 40 FR 56710.

Section B. Authority Revoked. This delegation revokes the Delegation of Authority to the Federal Insurance

Administrator published in the FEDERAL REGISTER on December 4, 1975 at 40 FR 56710 and any previous delegations on the same subject.

(Sec. 7(d) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(d)).

Issued at Washington, D.C., June 15, 1978.

PATRICIA ROBERTS HARRIS,
Secretary of Housing,
and Urban Development.

[FR Doc. 78-17298 filed 6-20-78; 8:45 am]

[4310-02]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

**MUCKLESHOOT INDIAN RESERVATION,
WASHINGTON****Ordinance Legalizing the Sale of Liquor**

JUNE 12, 1978.

In accordance with authority delegated by the Secretary of the Interior to the Assistant Secretary—Indian Affairs by 230 DM 2, and in accordance with the Act of August 15, 1953, Pub. L. 83-277, 18 U.S.C. 1161, 67 Stat. 586, I certify that an ordinance authorizing the introduction under conditions therein stated, of liquor into the Muckleshoot Indian Reservation, State of Washington, was adopted February 3, 1978, by the Tribal Council of the Muckleshoot Tribe, which has jurisdiction over the area of Indian country included in the ordinance and that the ordinance, as amended on April 17, 1978, by the Muckleshoot Tribal Council by Resolution 78-25-7, reads as set forth below.

FORREST J. GERARD,
Assistant Secretary,
Indian Affairs.

MUCKLESHOOT LIQUOR ORDINANCE**SECTION 1. FINDINGS AND PURPOSE:**

(a) The introduction, possession and sale of liquor on Indian Reservations have, since treaty time, been clearly recognized as matters of special concern to Indian tribes and to the United States' federal government. The control of liquor on reservations remains exclusively subject to their legislative enactments.

(b) Beginning with the treaties of Medicine Creek, 10 Stat. 1132, Article 9, and of Point Elliot, 12 Stat. 927, Article 10, to which the ancestors of the Muckleshoot Indian Tribe were parties, the federal government has respected this Tribe's determinations regarding liquor-related transactions and activities on the Muckleshoot Indian Reservation. At treaty time, this Tribe's ancestors desired to exclude "ardent spirits" from their Reservation; and federal law currently prohibits the introduction of liquor into Indian country, (18 U.S.C., Section 1154), leaving tribes the decision regarding when and to what extent liquor transactions shall be permitted (18 U.S.C., Section 1161).

(c) Present day circumstances make a complete ban of liquor within the Muckleshoot Indian reservation ineffective and unrealistic. At the same time, a need still exists for strict tribal regulation and control over liquor distribution.

(d) The enactment of a tribal ordinance governing liquor sales on the Reservation and providing for exclusive purchase and sale through the tribal enterprise will increase the ability of the tribal government to control Reservation liquor distribution and possession, and at the same time, will provide an important source of revenue for the continued operation of the tribal government and delivery of tribal governmental services.

(e) In order to provide for increased tribal control over liquor distribution and possession on the Reservation and to provide for an urgently needed additional revenue source, the Muckleshoot Indian Tribal Council adopts this liquor ordinance.

Sec. 2. This Ordinance Shall Be Known As The Muckleshoot Liquor Ordinance.

Sec. 3. Relation To Other Tribal Laws:

All prior ordinances and resolutions of the Muckleshoot Indian Tribe regulating, authorizing, prohibiting or in any way dealing with the sale of liquor are hereby repealed and of no further force and effect and no tribal business licensing law or other tribal law shall be applied in a manner inconsistent with the provisions of this ordinance.

Sec. 4. Definitions:

The definitions of "liquor", "sale" and "sell", contained in the Revised Code of Washington, RCW 66.04.010 (1), (16), (27), (29), and (35) are hereby adopted. See Attachment A.

Sec. 5. Prohibitions:

The introduction, purchase, sale, and dealing in liquor, other than by the Muckleshoot Indian Tribe through its tribal enterprise as herein provided, is prohibited within the exterior boundaries of the Muckleshoot Indian Reservation and is hereby declared an offense under tribal law. The federal Indian liquor laws are intended to remain applicable to any act or transaction which is not authorized by this ordinance and violators of this ordinance shall be subject to federal prosecution as well as to legal action in accordance with tribal law. It is intended that possession of liquor by any person now prohibited by federal law from possessing liquor shall be lawful so long as the possession is in conformity with this ordinance. *Provided*, That, reservation businesses which have sold liquor products for at least one year preceding the passage of this ordinance by the Council may continue to sell those liquor products pending a decision by the Council as to whether a tribal license for these liquor sales shall be granted. Applications for such tribal liquor licenses will be accepted between January 1, 1980 and January 31, 1980. *Provided further*, That Taxes on liquor sales provided for in this ordinance shall be applicable to those businesses at such time as other tribal taxes are levied upon them, or, if a liquor license is granted prior to levy of other tribal taxes, at such time as the liquor license is granted.

Sec. 6. Conformity With State Law:

Tribally authorized liquor transactions shall comply with Washington State liquor law standards to the extent required by 18 U.S.C. 1161.

Sec. 7. Tribal Tobacco Enterprise Renamed And Liquor Division Created: (a) There is hereby established a division of Muckleshoot Tribal Enterprises known as

the Liquor Division. This division, like the Muckleshoot Tribal Enterprises as a whole, shall be constituted as an agency and department of the Muckleshoot tribal government. The Tribal Tobacco Enterprise, commonly called Muckleshoot Tribal Enterprises, is hereby renamed Muckleshoot Tribal Enterprises.

(b) In accordance with part (a) of this section, the Muckleshoot Tribal Enterprises' manager shall have the following powers and duties in regard to the Liquor Division:

(1) To manage the Liquor Division for the benefit of the tribe.

(2) To purchase, in the name of the Tribe, liquor products from wholesale distributors and distribute them to such tribal enterprise outlets, as he deems appropriate.

(3) To establish, with the council and subject to its approval, such administrative procedures as are necessary to govern the operation of the Division.

(4) To report and account to the Council at least twice a year regarding the operation and financial status of the division. The Council and the manager shall establish the dates on which such accounting shall take place. The Council may require more frequent accounting if deemed necessary. The manager's reports and all written reports, accounts and records of the Council's proceedings in regard to the Division shall be available for inspection to any Muckleshoot Indian Tribal member, upon demand.

(5) To hire and set the salaries of additional personnel, subject to Council approval, as he deems necessary to the successful operation of the Division.

(6) To supervise all Division employees.

(7) To purchase, with Council approval, and maintain the Division's real and personal property.

(8) To collect the Muckleshoot Indian Liquor Excise Taxes.

(9) To transfer all tax revenues to the tribal treasurer for deposit in the tribal tax fund, and to transfer to the tribal treasurer for deposit in the tribe's general fund all other revenue not reasonably foreseen as being required for the operation of the Division.

(10) To maintain all other Division revenues in a special account, under direction from the tribal treasurer. Funds may be withdrawn from this account by the manager for the wholesale purchase of liquor products to be sold pursuant to this chapter, for payment of salaries and business expenses of employees of the Division, and for the purchase and upkeep of real and personal property required for the Division's operation.

(11) To set the retail price for liquor products, in cooperation with the council.

(12) To obtain and maintain in full force and effect a policy of general liability insurance covering the premises in an amount set by the Council. The policy shall contain the stipulation that the Muckleshoot Tribe shall be given ten days notice of the proposed cancellation or expiration of such policy. The manager shall submit to the Council a certificate of insurance from such policy and shall have available for inspection a complete copy of such policy.

(13) To The manager shall be bonded for such additional amount and for such additional purposes as the Council shall determine to be appropriate in managing the Liquor Division.

Sec. 8. Sovereign Immunity Preserved:

Nothing in this chapter is intended or shall be construed as a waiver of the sover-

eign immunity of the Muckleshoot Tribe. No manager or employer of the Division shall be authorized, nor shall he attempt, to waive the immunity of the Tribe.

Sec. 9. Muckleshoot Liquor Commission:

There is hereby created a Muckleshoot Liquor Commission. The members of the Muckleshoot Indian Tribal Council shall serve as the Muckleshoot Liquor Commission. The Commission is empowered to:

(a) Administer this ordinance, by exercising general control, management, and supervision of all liquor sales, places of sale, and sales outlets as well as exercising all powers necessary to accomplish the purposes of this ordinance;

(b) Adopt and enforce rules and regulations in furtherance of the purposes of this ordinance and the performance of its administrative functions;

Sec. 10. Excise Tax Levy:

(a) There is hereby levied and shall be collected an excise tax upon each retail sale of liquor, except beer and wine, in whatever packages or container, in the amount of three (3) cents per fluid ounce or fraction thereof contained in such package or container. There is hereby levied and shall be collected an excise tax upon each retail sale of beer and wine in the original package in the amount of five percent (5%) of the selling price. Said taxes shall be added to the sales price of the liquor sold and shall be paid by the buyer to the Muckleshoot Enterprise who shall collect the same and hold them in trust for the Muckleshoot Indian Tribe until deposited as provided in Section 7(c)(9) of this Ordinance. The taxes provided for herein shall be the only taxes applicable to activities of the Muckleshoot Enterprise Liquor Division.

(b) These taxes which shall be deposited, through the tribal treasurer, as provided in section 7(c)(9), shall be used for the benefit of the reservation and Tribal community. In appropriating from these tax revenues, the Council shall give priority to:

(1) Strengthening tribal government, which shall include but not be limited to strengthening tribal court and law enforcement systems and the system for administering and enforcing this ordinance.

(2) Fire protection, roads, and water and sewage services.

(3) Health, education and other social services, and land acquisition and development needs.

The Council shall have discretion to determine which of the above priorities shall receive an appropriation and the amount of the appropriation for a given priority.

(c) The manager shall keep such records as shall be sufficient for the tribal tax administrator to determine the amount of tax owing and shall complete tax returns in accordance with instructions from the tribal tax administrator.

(d) Amendments to the amounts and type of taxes levied on reservation liquor dealings may be made from time to time by approval of the Muckleshoot Indian Tribal Council, after consultation with the Muckleshoot Enterprise manager.

Sec. 11. Penalty:

Any person or entity selling, bartering or manufacturing liquor without a tribal license, or otherwise violating this ordinance, shall be subject to a civil fine of not more than \$100.00 for each violation. In addition, persons or entities subject to criminal prosecution by the Tribe who sell, barter or manufacture liquor without a tribal license shall be subject to punishment as provided

in section 4.01.39 of the Tribal Code of Laws.

Liquor products sold in violation of this ordinance shall be subject to seizure and forfeiture as provided in sections 2.01.07-2.01.10 of the Muckleshoot Tribal Code.

Sec. 12. Severability:

If any provision or application of this ordinance is determined by review to be invalid, such adjudication shall not be held to render such provision inapplicable to other persons or circumstances.

Sec. 13. Effective date:

This ordinance shall be effective on June 21, 1978.

MUCKLESHOOT INDIAN TRIBE AMENDMENT OF LIQUOR ORDINANCE

[Resolution No. 78-25-71]

Whereas, the Muckleshoot Indian Tribal Council is the duly authorized governing body of the Muckleshoot Indian Tribe, as provided in Article III of the Tribe's Constitution and By-Laws;

Whereas, on February 3, 1978, the Muckleshoot Indian Tribal Council adopted a liquor ordinance governing the introduction, use, and sale of liquor on the Muckleshoot Indian Reservation;

Whereas, the Muckleshoot Indian Tribal Council has determined that the section 11 of that ordinance should be amended to provide an additional civil enforcement remedy and to clarify the application of other penalties; NOW THEREFORE

Be it resolved, That the Muckleshoot Indian Tribal Council hereby amends section 11 of the Muckleshoot Liquor Ordinance, to read:

Section 11. Penalty: Any person or entity selling, bartering or manufacturing liquor without a tribal license, or otherwise violating this ordinance, shall be subject to a civil fine of not more than \$100.00 for each violation. In addition, persons or entities subject to criminal prosecution by the Tribe who sell, barter or manufacture liquor without a tribal license shall be subject to punishment as provided in section 5.01.39 of the Tribal Code of Laws.

CERTIFICATION

I hereby certify that the preceding resolution was adopted at a meeting of the Muckleshoot Tribal Council on April 17, 1978, at which a quorum was present, by a vote of 5 for and 0 against.

SHIRLEY M. SNEATLUM,
Secretary.

Attest:

Marie Starr,
Chairwoman.

APPLICABLE DEFINITIONS

From the Revised Code of Washington

66.04.010 Definitions. In this title, unless the context otherwise requires:

(1) "Alcohol" is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation of distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance.

(16) "Liquor" includes the four varieties of liquor herein defined (alcohol, spirits, wine and beer), and all fermented, spirituous, vinous, or malt liquor, or combinations thereof, and mixed liquor, a part of which is fermented, spirituous, vinous or malt liquor

or otherwise intoxicating; and every liquid or solid or semisolid or other substance, patented or not, containing alcohol, spirits, wine or beer, and all drinks of drinkable liquids and all preparations or mixtures capable of human consumption, and any liquid, semisolid, solid, or other substance, which contains more than one percent of alcohol by weight shall be conclusively deemed to be intoxicating.

(27) "Sale" and "sell" include exchange, barter, and traffic; and also include the selling or supplying or distributing, by any means whatsoever, of liquor, or of any liquid known or described as beer or by any name whatever commonly used to describe malt or brewed liquor or of wine, by any person to any person; and also include a sale or selling within the state to a foreign consignee or his agent in the state.

(29) "Spirits" means any beverage which contains alcohol obtained by distillation, including wines exceeding seventeen percent of alcohol by weight.

(35) "Wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during or after fermentation, and containing not more than seventeen percent of alcohol by weight, including sweet wines fortified with wine spirits, such as port, sherry, muscatel and angelica, not exceeding seventeen percent of alcohol by weight.

[FR Doc. 78-17114 Filed 6-20-78; 8:45 am]

[4310-84]

Bureau of Land Management

[AA-6672-A]

ALASKA NATIVE CLAIMS SELECTION

Notice for Publication

The State of Alaska filed general purposes selection application AA-3001, as amended, on July 1, 1968, pursuant to section 6(b) of the Alaska Statehood Act of July 7, 1958 (72 Stat. 339, 340; 48 U.S.C. Ch. 2, Sec. 6(b) (1970)). This application selected lands near the Native village of Kaguyak.

On December 18, 1971, section 11 of the Alaska Native Claims Settlement Act (85 Stat. 688, 696; 43 U.S.C. 1601, 1610 (Supp. V, 1975)), withdrew the lands surrounding the village of Kaguyak, including the lands in the subject State selection, for Native selection. On September 24, 1974, Kaguyak, Inc., filed village selection application AA-6672-A, as amended, under the provisions of section 12(a) of the Alaska Native Claims Settlement Act (85 Stat. 688, 701; 43 U.S.C. 1601, 1611(a) (Supp. V, 1975)), for lands located near the village, including lands within the subject State selection and within the Kodiak National Wildlife Refuge.

Section 12(a)(1) of the Alaska Native Claims Settlement Act provides that village selections shall be made from lands withdrawn by section 11(a). Section 11(a)(2) withdrew for possible se-

lection by the Native corporation those lands that have been selected by, or tentatively approved to, but not yet patented to, the State under the Alaska Statehood Act. Section 12(a)(1) further provides that no village may select more than 69,120 acres from lands withdrawn by section 11(a)(2) and not more than 69,120 acres from the National Wildlife Refuge System.

The following described lands which are State selected have been properly selected by village selection application AA-6672-A. Accordingly State selection application AA-3001 is rejected as to the following described lands:

T. 38 S., R. 28 W., Seward Meridian, Alaska (Unsurveyed)
Fractional, excluding U.S. Survey 602.

Containing approximately 6,269 acres of which approximately 110 acres were properly selected by the State prior to the lands being withdrawn by the Alaska Native Claims Settlement Act. The remaining 6,159 acres, withdrawn by Public Land Orders 1634 and 2417, are not vacant, unappropriated and unreserved as required by section 6(b) of the Alaska Statehood Act of July 7, 1958 (72 Stat. 339, 340; 48 U.S.C. Ch. 2, Sec. 6(b) (1970)). Further action on the subject State selection application, as to those lands not rejected herein, will be taken at a later date.

As to the lands described below, the application, as amended, submitted by Kaguyak, Inc., is properly filed and meets the requirements of the Alaska Native Claims Settlement Act and of the regulations issued pursuant thereto. These lands do not include any lawful entry perfected under or being maintained in compliance with any Federal law leading to acquisition of title.

This decision approves approximately 5,944 acres of National Wildlife Refuge lands for conveyance to Kaguyak, Inc., for a cumulative total of approximately 5,944 acres and approximately 110 acres of land that has been properly selected by the State, for a cumulative total of 110 acres. Neither of these exceed the 69,120 acres permitted under section 12(a)(1).

In view of the foregoing, the surface estate of the following described lands, selected pursuant to section 12(a), aggregating approximately 6,269 acres, is considered proper for acquisition by Kaguyak, Inc., and is hereby approved for conveyance pursuant to section 14(a) of the Alaska Native Claims Settlement Act:

LANDS OUTSIDE KODIAK NATIONAL WILDLIFE REFUGE (PLO 1634)

SEWARD MERIDIAN, ALASKA (UNSURVEYED)

T. 38 S., R. 28 W.

Sec. 12 (fractional), all;

Secs. 19 and 30 (fractional), that portion outside Kodiak National Wildlife Refuge and excluding U.S. Survey 602;

Sec. 31 (fractional), that portion outside Kodiak National Wildlife Refuge.

Containing approximately 325 acres outside the Kodiak National Wildlife Refuge.

LANDS WITHIN KODIAK NATIONAL WILDLIFE REFUGE (PLO 1634)

SEWARD MERIDIAN, ALASKA (UNSURVEYED)

T. 38 S., R. 28 W.

Sec. 4 (fractional), all;

Secs. 5, 6 and 7, all;

Secs. 8 and 9 (fractional), all;

Secs. 15 to 18 (fractional), inclusive, all;

Sec. 19 (fractional), that portion within Kodiak National Wildlife Refuge;

Secs. 20, 21 and 22 (fractional), all;

Secs. 28 and 29 (fractional), all;

Secs. 30 and 31 (fractional), that portion within Kodiak National Wildlife Refuge;

Sec. 32 (fractional), all.

Containing approximately 5,944 acres within the Kodiak National Wildlife Refuge.

The conveyance issued for the surface estate of the lands described above shall contain the follow reservations to the United States:

1. The subsurface estate therein, and all rights, privileges, immunities, and appurtenances, of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (Supp. V, 1975)); and

2. Pursuant to section 17(b) of the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 708; 43 U.S.C. 1601, 1616(b) (Supp. V, 1975)), the following public easements, referenced by easement identification number (EIN) on the easement maps in case file AA-6672-EE are reserved to the United States and subject to further regulation thereby:

a. (EIN 19 C5, D9) A continuous linear easement twenty-five (25) feet in width upland of and parallel to the mean high tide line in order to provide access to and along the marine coastline and use of such shore for purposes such as beaching of watercraft or aircraft, travel along the shore, recreation, and other similar uses. Deviations from the waterline are permitted when specific conditions so require, e.g., impassable topography or waterfront obstruction. This easement is subject to the right of the owner of the servient estate to build upon such easement a facility for public or private purposes, such right to be exercised reasonably and without undue or unnecessary interference with or obstruction of the easement. When access along the marine coastline easement is to be obstructed, the owner of the servient estate will be obligated to convey to the United States an acceptable alternate access route, at no cost to the United States, prior to the creation of such obstruction.

b. (EIN 21 C) The right of the United States to enter upon the lands herein granted for cadastral, geodetic,

or other survey purposes is reserved, together with the right to do all things necessary in connection therewith.

These reservations have not been conformed to the Departmental easement policy announced March 3, 1978. Conformance is contingent upon resolution of the litigation *Calista, et al v. Andrus* or issuance of a Secretarial Order, guidelines and regulations.

The grant of lands shall be subject to:

1. Issuance of a patent confirming the boundary description of the lands hereinabove granted after approval and filing by the Bureau of Land Management of the official plat of survey covering such lands;

2. Valid existing rights therein, if any, including but not limited to those created by any lease (including a lease issued under section 6(g) of the Alaska Statehood Act of July 7, 1958 (72 Stat. 339, 341; 48 U.S.C. Ch. 2, Sec. 6(g) (1970))), contract, permit, right-of-way, or easement, and the right of the lessee, contractee, permittee, or grantee to the complete enjoyment of all rights, privileges, and benefits thereby granted to him;

3. Requirements of section 22(g) of the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 714; 43 U.S.C. 1601, 1621(g) (Supp. V, 1975)), that (a) the above described lands which are within the boundaries of the Kodiak National Wildlife Refuge on December 18, 1971, remain subject to the laws and regulations governing use and development of such refuge, and that (b) the right of first refusal, if said land or any part thereof is ever sold by the above-named corporation, is reserved to the United States;

4. Requirements of section 14(c) of the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 703; 43 U.S.C. 1601, 1613(c) (Supp. V, 1975)), that the grantee hereunder convey those portions, if any, of the lands hereinabove granted, as are prescribed in said section; and

5. The terms and conditions of the agreement dated November 12, 1976, between the Secretary of the Interior, Koniag, Inc., Kaguyak, Inc., and other Koniag village corporations. A copy of the agreement shall be attached to and become a part of the conveyance document and shall be recorded therewith. A copy of the agreement is located in the Bureau of Land Management easement case file for Kaguyak, Inc., serialized AA-6672-EE. Any person wishing to examine this agreement may do so at the Bureau of Land Management, Alaska State Office, 555 Cordova Street, Anchorage, Alaska 99501.

Kaguyak, Inc. is entitled to conveyance of 69,120 acres of land selected pursuant to section 12(a) of the Alaska Native Claims Settlement Act. To

date, 6,269 acres of this entitlement have been approved for conveyance; the remaining entitlement of 62,851 acres will be conveyed at a later date.

Pursuant to section 14(f) of the Alaska Native Claims Settlement Act, conveyance of the subsurface estate of the lands described above, excluding those lands which have been withdrawn by PLO 1634 and which are reserved thereby as a national wildlife refuge, shall be granted to Koniag, Inc. when conveyance is granted to Kaguyak, Inc. for the surface estate, and shall be subject to the same conditions as the surface conveyance. Section 12(a)(1) provides that when a village corporation selects the surface estate of lands within the national wildlife refuge system the regional corporation may make selections of the subsurface estate, in an equal acreage, from other lands withdrawn by section 11(a) within the region.

There are no inland water bodies considered to be navigable within the lands described.

In accordance with Departmental regulation 43 CFR 2650.7(d), notice of this decision is being published once in the FEDERAL REGISTER and once a week, for four (4) consecutive weeks, in the Anchorage Times and in the Kodiak Times. Any party claiming a property interest in lands affected by this decision may appeal the decision to the Alaska Native Claims Appeal Board, P.O. Box 2433, Anchorage, Alaska 99510 with a copy served upon both the Bureau of Land Management, Alaska State Office, 555 Cordova Street, Pouch 7-512, Anchorage, Alaska 99510 and the Regional Solicitor, Office of the Solicitor, 510 L Street, Suite 408, Anchorage, Alaska 99501, also:

1. Any party receiving service of this decision shall have 30 days from the receipt of this decision to file an appeal.

2. Any unknown parties, any parties unable to be located after reasonable efforts have been expended to locate, and any parties who failed or refused to sign the return receipt shall have until July 21, 1978 to file an appeal.

3. Any party known or unknown who may claim a property interest which is adversely affected by this decision shall be deemed to have waived those rights which were adversely affected unless an appeal is timely filed with the Alaska Native Claims Appeal Board.

4. If Kaguyak, Inc. or Koniag, Inc. objects to any easement which is identified herein for reservation in the conveyance, which is subject to the discretion of the State Director and not reserved pursuant to an express Secretarial directive, a request for reconsideration must be filed within 30 days from receipt of service with the State Director, Bureau of Land Man-

agement, 555 Cordova Street, Pouch 7-512, Anchorage, Alaska 99510. A copy of the request should be served upon the Regional Solicitor, Office of the Solicitor, 510 L Street, Suite 408, Anchorage, Alaska 99501. If a request for reconsideration is not filed it will be deemed that the right to contest any such easement has been waived.

If an appeal is taken, the adverse parties to be served with a copy of the notice of appeal are:

Kaguyak, Inc., P.O. Box 2694, Kodiak, Alaska 99615.

Koniag, Inc., P.O. Box 746, Kodiak, Alaska 99615.

State of Alaska, Division of Lands, 323 East Fourth Avenue, Anchorage, Alaska 99501.

To avoid summary dismissal of the appeal, there must be strict compliance with the regulations governing such appeals. Further information on the manner of, and requirements for, filing an appeal may be obtained from the Bureau of Land Management, 555 Cordova Street, Pouch 7-512, Anchorage, Alaska 99510.

SUE A. WOLF,
Chief, Selections and
Leasable Minerals Section.

[FR Doc. 78-17038 Filed 6-20-78; 8:45 am]

[4310-84]

[4310-84]

UTAH

Filing of Plats of Survey and Order Providing for Opening of Public Lands

1. Plat of survey of the lands described below will be officially filed in the Utah State Office, Salt Lake City, Utah effective at 10:00 A.M., on July 24, 1978:

SALT LAKE MERIDIAN

PLAT OF SURVEY APPROVED MAY 10, 1978

T. 6 N., R. 10 W.,
Sec. 7, Lots 1 to 4, inclusive;
Sec. 8, Lot 1;
Sec. 13, Lots 1 to 4, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Sec. 14, Lots 1 to 5, inclusive, S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 15, Lots 1 to 4, inclusive, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 17, Lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{4}$, S $\frac{1}{2}$;
Sec. 18, Lots 1 to 4, inclusive, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{4}$;
Sec. 19, Lots 1 to 4, inclusive, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{4}$;
Secs. 20 to 29, inclusive;
Sec. 30, Lots 1 to 4, inclusive, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{4}$;
Sec. 31, Lots 1 to 4, inclusive, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{4}$;
Secs. 33 to 35, inclusive.

The area described aggregates, 12,754.53 acres.

2. Subject to valid existing rights, C and MU Classification U-7041, the requirements of applicable law, the lands are hereby opened.

3. All valid applications received at or prior to 10:00 A.M. on July 24, 1978,

shall be considered as simultaneously filed at that time. Those received thereafter shall be considered in the order of filing.

4. Inquiries concerning the lands should be addressed to the Chief, Division of Management Services, Utah State Office, University Club Building, 136 East South Temple, Salt Lake City, Utah 84111.

Dated: June 13, 1978.

ROGER ELKINS,
*Acting Chief, Division
of Management Services.*

[FR Doc. 78-17115 Filed 6-20-78; 8:45 am]

[4310-09]

Office of the Secretary

[INT FES 78-11]

O'NEILL UNIT, NEBRASKA

Availability of Supplement to Final
Environmental Statement

Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, the Department of the Interior has prepared a supplement to the final environmental statement for the authorized O'Neill Unit, Nebraska. The final statement, designated INT FES 72-34, was filed with the Council on Environmental Quality and publicly distributed on September 22, 1972.

The supplement addresses the geology of the Norden Dam site, groundwater quality in the O'Neill service area, wildlife impacts, and researching techniques for improving livestock and crop production without diminishing groundwater reserves by irrigation. Letters of comment from the December 20, 1977, draft supplement (INT DES 77-38) and the responses thereto are presented. This supplement and its four technical appendices are prepared in response to Civil Action 75-L-96 of the United States District Court for the District of Nebraska judgment that the final statement was inadequate in the above categories.

Copies are available for inspection at the following locations:

Director, Office of Environmental Affairs,
Department of the Interior, Bureau of
Reclamation, Room 7626, Interior Building,
Washington, D.C. 20240, telephone
(202) 343-4991.

Assistant Commissioner—Engineering and
Research, Engineering and Research
Center, P.O. Box 25007, Denver Federal
Center, Denver, Colorado 80225, telephone
(303) 234-3022.

Regional Director, Bureau of Reclamation,
Lower Missouri Region, P.O. Box 25247,
Denver Federal Center, Denver, Colorado
80225, telephone (303) 234-3779.

Central Nebraska Projects Office, Second
and Locust Streets, Grand Island, Nebraska
68801, telephone (308) 382-3660.

Kansas River Projects Office, 1706 West
Third Street, McCook, Nebraska 69001,
telephone (308) 345-4400.

Libraries in Omaha, Lincoln, O'Neill, Atkinson, Valentine, Bassett, Norfolk, Stuart, and Grand Island, Nebraska; and at Kearney State College, Chadron State College, Wayne State College, and the University of Nebraska at Omaha and Lincoln.

Single copies of the final statement, the supplement and the technical appendices may be obtained on request to the Commissioner of Reclamation or the Regional Director at the addresses listed above. Copies of the final environmental statement and the supplement are available at no charge. There is a charge of \$5 per copy for the technical appendices.

Dated: June 16, 1978.

LARRY E. MEIEROTTO
*Deputy Assistant
Secretary of the Interior.*

[FR Doc. 78-17072 Filed 6-20-78; 8:45 am]

[4410-05]

DEPARTMENT OF JUSTICE

Bureau of Prisons

ADVISORY CORRECTIONS COUNCIL

Meeting

Notice is hereby given that the Advisory Corrections Council in accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463; Stat. 770) will meet on Thursday, July 13 in McNeil Island, Washington. The Council will tour and meet at the U.S. Penitentiary at McNeil Island, Washington on July 13.

This meeting has three major purposes: (1) to discuss the role of the Federal government in corrections; (2) to discuss a proposed Bureau of Justice Statistics; and (3) to discuss the current status of the revision of the Federal Criminal Code.

Signed at Washington, D.C., this
15th day of June, 1978.

NORMAN A. CARLSON,
Director, Bureau of Prisons.

[FR Doc. 78-17105 Filed 6-20-78; 8:45 am]

[7510-01]

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice (78-21)]

NASA ADVISORY COUNCIL (NAC) SPACE AND TERRESTRIAL APPLICATIONS ADVISORY COMMITTEE (STAAC)

Meeting

The *Ad Hoc* informal Subcommittee on Weather, Climate and Severe Storms of the NAC-STAAC will meet on July 6 and 7, 1978 from 8:30 am to 4:30 pm at the National Center for Atmospheric Research (NCAR), Seminar Room, Fleischmann Building, Boulder,

Colorado, 80307. Members of the public will be admitted to the meeting at 8:30 am on both days on a first-come, first-served basis and will be required to sign a visitors' register. The seating capacity of the meeting room is for 40 persons.

This subcommittee, comprised of ten members of the NAC-STAAC including the Chairman, Dr. John Firor, will review the current program in Environmental Observations and discuss thrusts and strategies for the FY 1980 budget preparation.

The approved agenda for the meeting is as follows:

Date, time, and topic

7/6/78, 8:30 am, Overview of the Environmental Observations Program; 1:15 pm, FY 1980 Budget Considerations for the Environmental Observations Program; 4:30 pm, Adjourn.

7/7/78, 8:30 am, Discussion of Advance Studies and New Starts Strategies; 10:45 am, Current Status of Research in Weather & Severe Storms; 1:15 pm, Findings & Recommendations; 4:30 pm, Adjourn.

ARNOLD W. FRUTKIN,
*Acting Associate Administrator
for External Relations.*

JUNE 19, 1978.

[FR Doc. 78-17196 Filed 6-20-78; 8:45 am]

[4510-23]

NATIONAL COMMISSION ON EM- PLOYMENT AND UNEMPLOYMENT STATISTICS

MEASUREMENTS OF EMPLOYMENT AND UNEMPLOYMENT

Public Hearing

Notice is hereby given that the National Commission on Employment and Unemployment Statistics will hold a public hearing on July 26, 1978, in Room 6510, 2020 K Street N.W., Washington, D.C. 20006.

The National Commission on Employment and Unemployment Statistics was established under Section 13 of the Emergency Jobs Program Extension Act of 1976, Public Law 94-444. Its purpose is to advise the President and the Congress on reliable and comprehensive measurements of employment and unemployment by examining the procedures, concepts and methodology involved in employment and unemployment statistics, and suggesting ways and means of improving them.

Both producers and users of employment and unemployment statistics are invited to testify regarding the adequacy of current concepts and methods involved in producing these statistics for the nation, regions, states, and local areas. Testimony is invited on the usefulness of current statistics to

polymaking and the specific needs of users.

The hearing will begin at 1:30 p.m. The public is invited to attend. Persons desiring to testify should submit a written request at least seven days before the hearing date. Written statements should be provided 24 hours in advance of the scheduled appearance. These materials and additional questions regarding the hearings or the National Commission on Employment and Unemployment Statistics may be addressed to: Marc Rosenblum, Staff Economist, National Commission on Employment and Unemployment Statistics, 2000 K Street N.W., Suite 550, Washington, D.C. 20006.

Signed at Washington, D.C., this 16th day of June, 1978.

SAR A. LEVITAN,
Chairman.

[FR Doc. 78-17131 Filed 6-20-78; 8:45 am]

[7590-01]

NUCLEAR REGULATORY COMMISSION

ABNORMAL OCCURRENCE EVENT

Overexposure of Two Radiation Protection Technicians

Section 208 of the Energy Reorganization Act of 1974, as amended, required the NRC to disseminate information on abnormal occurrences (i.e., unscheduled incidents or events which the Commission determines are significant from the standpoint of public health and safety). The following incident was determined to be an abnormal occurrence using the criteria published in the *FEDERAL REGISTER* on February 24, 1977 (42 FR 10950). Appendix A (Example I.A.1) of the Policy Statement notes that an exposure of the whole body of any individual to 25 rems or more of radiation can be considered an abnormal occurrence.

Date and Place—On April 6, 1978, the Portland General Electric Company reported to the NRC an overexposure of two radiation protection technicians which occurred on April 5, 1978 at the Trojan Nuclear Power Plant, located in Columbia County, Oregon.

Nature and Probable Consequences—The plant was shut down for the first refueling outage in mid-March. Following cooldown and reactor coolant system cleanup, refueling began on April 1. On that date, a preliminary survey was conducted during fuel transfer to determine whether there were any excessive radiation levels in accessible areas in the general vicinity of the fuel transfer tube. No high radiation levels were noted.

During the refueling operation, spent fuel elements are removed re-

motely from the reactor vessel, kept underwater and transferred to the adjoining refueling cavity (pool) which is within the containment building. The spent fuel elements are then lowered to the bottom of the refueling cavity and transferred by way of a fuel transfer tube through the containment building wall into the spent fuel storage pool located in the adjacent auxiliary building. Throughout this operation the spent fuel elements are kept underwater; the water serving as a coolant and providing some shielding from the radiations which are emitted from the spent elements.

On April 1, quality assurance personnel notified the radiation protection staff that higher than expected pocket dosimeter readings had been obtained while working on the 45-foot elevation of the containment building in the general area of the fuel transfer tube. Although these quality assurance personnel were aware that the fuel transfer tube passed unshielded through a compartment on the 45-foot elevation, the radiation protection personnel were not aware of this fact. Radiation protection technicians began efforts to locate a source of higher than expected radiation levels on April 1.

On April 5, three radiation protection technicians entered the shielded area near the fuel element transfer tube seismic bellows compartment and two of the technicians climbed up and entered the compartment. The technicians believed the approximately two foot diameter fuel transfer tube which passed through the space to be a ventilation duct. They believed that the fuel transfer tube was buried in the concrete beyond the compartment they occupied. The technicians had scheduled their presence in the compartment to coincide with movement of a spent fuel element through the transfer tube and expected to observe radiation levels up to 200 milliroentgens per hour. At approximately 3:30 p.m. the technicians observed their survey instrument go to full scale on the two roentgens per hour scale. The technician holding the instrument leaned over the transfer tube to bring the detector closer to the far wall. When the instrument was switched to 50 roentgens per hour scale, the reading dropped to near zero, but returned to full scale when switched back to the two roentgen per hour scale. At this time, the technicians believed that the radiation levels were on the order of two to three roentgens per hour. It was later learned that the instrument had malfunctioned and was inoperable on the 50 and 1,000 roentgens per hour scales. This malfunction, however, did not significantly contribute to the doses received by the individuals because of limited mobility in the confined space where the technicians were located during their time the fuel

element was being transferred. Later calculations established that it required approximately 22 seconds for the fuel element to pass through the exposed tube in the seismic bellow compartment.

On leaving the area, the two technicians nearest the tube found that their 200 milliroentgen and one roentgen pocket ionization chamber dosimeters had been fully discharged to an off-scale reading. The third technician's dosimeter indicated an exposure of 165 milliroentgens. The thermoluminescent dosimeters (TLDs) of the two technicians with off-scale pocket dosimeters were collected and immediately sent to the vendor for processing. The results received on April 6 indicated that the technician closest to the tube received an exposure of 12.9 rem. The other technician's exposure was reported as 17.1 rem. Investigation established that the TLD of the technician closest to the tube may have been shielded by his body.

Blood tests on the three technicians on April 7, 8, 14 and 19 were negative and the two overexposed individuals have been removed from radiation work for the remainder of the calendar quarter. The licensee conducted a special dosimetry study on April 15 to better identify the possible doses which the three technicians may have received. After evaluation of the dosimetry results and detailed reconstruction of event, the licensee has assessed the equivalent whole body doses for two of the individuals to be 27.3 rem for the technician closest to the tube and 17.1 rem for the second technician. The third individual had been effectively shielded from high radiation levels and was not overexposed.

Cause or Causes—Principal causes of the incident included: design which failed to provide access control in conjunction with suitable shielding, failure to communicate clearly between working groups, and failure on the part of the radiation protection personnel to adequately assess the potential radiological hazard.

ACTIONS TAKEN TO PREVENT RECURRENCE

Licensee—On April 5, following identification of possible overexposures, the licensee posted a guard to prevent access to the location where the exposures had occurred. A temporary wooden barrier was constructed to prevent access to the area. Fuel movement through the fuel transfer tube was suspended on April 6. After preparation and completion of a special radiation survey, evaluation of the results and subsequent review of the licensee's corrective actions by the NRC inspectors on-site, fuel transfer was resumed on April 7. On the evening of April 6, after completion of the survey, concrete block shielding was

placed in the fuel transfer tube belows compartment and a wall and lockable steel door were installed to deny access to the immediate area.

The licensee has reported that a new training program will be implemented for radiation protection personnel to train them in selected plant systems and will reorganize the Radiation Protection Group and will add an additional supervisor for the Radiation Protection Group who is trained in both radiation protection and plant operations. In addition, all detectors in use at the plant were source checked in all ranges to verify their proper operation. Special instructions regarding calibration and use of this equipment were developed and distributed to all chemistry and radiation protection technicians.

NRC—An investigation was commenced on April 6 and was completed on April 28, 1978. Enforcement action is under consideration. An NRC inspector examined the licensee's plan for study to further evaluate the technicians' exposures and was present during the study conducted April 15. The NRC's Office of Inspection and Enforcement will issue a Bulletin to other licensees.

Dated at Washington, D.C. this 15th day of June 1978.

For the Nuclear Regulatory Commission.

SAMUEL J. CHILK,
Secretary of the Commission.

[FR Doc. 78-17104 Filed 6-20-78; 8:45 am]

[7590-01]

[Docket No. 50-155]

CONSUMERS POWER CO.

Issuance of Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 18 to Facility Operating License No. DPR-6, issued to the Consumers Power Company (the licensee), which revised the license and its appended Technical Specifications for operation of the Big Rock Point Plant (the facility) located in Charlevoix County, Michigan. The amendment is effective as of its date of issuance.

The amendment consists of administrative changes to the Technical Specifications for the facility to reflect reorganization of the plant staff to increase the efficiency of operating and maintenance activities.

The application for the amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate

findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment. Prior public notice of this amendment was not required since the amendment does not involve a significant hazards consideration.

The Commission has determined that the issuance of this amendment will not result in any significant environmental impact and that pursuant to 10 CFR § 51.5(d)(4) an environmental impact statement or negative declaration and environmental impact appraisal need not be prepared in connection with issuance of this amendment.

For further details with respect to this action, see (1) the application for amendment dated May 4, 1978, and (2) Amendment No. 18 to License No. DPR-6, including the Commission's related transmittal letter. These items are available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, D.C. and at the Charlevoix Public Library, 107 Clinton Street, Charlevoix, Michigan 49720.

A single copy of item (2) may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Operating Reactors.

Dated at Bethesda, Maryland, this 8th day of June, 1978.

For the Nuclear Regulatory Commission.

DENNIS L. ZIEMANN,
Chief, Operating Reactors
Branch No. 2, Division of Operating Reactors.

[FR Doc. 78-17100 Filed 6-20-78; 8:45 am]

[7590-01]

[Docket No. 50-278]

PHILADELPHIA ELECTRIC CO. ET AL.

Issuance of Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 42 to Facility Operating License No. DPR-56 issued to Philadelphia Electric Company, Public Service Electric and Gas Company, Delmarva Power and Light Company, and Atlantic City Electric Company, which revised Technical Specifications for operation of the Peach Bottom Atomic Power Station Unit No. 3. The amendment is effective as of its date of issuance.

The amendment modifies the Technical Specifications to incorporate exposure-dependent Minimum Critical Power Ratio (MCPR) operating limits for cycle 3 operation.

The application for the amendment complies with the standards and re-

quirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment. Prior public notice of this amendment was not required since the amendment does not involve a significant hazards consideration.

The Commission has determined that the issuance of this amendment will not result in any significant environmental impact and that pursuant to 10 CFR § 51.5(d)(4) an environmental impact statement, negative declaration or environmental impact appraisal need not be prepared in connection with issuance of this amendment.

For further details with respect to this action, see (1) the application for amendment dated May 16, 1978, (2) Amendment No. 42 to License No. DPR-56, and (3) the Commission's related Safety Evaluation. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, D.C., and at the Government Publications Section, State Library of Pennsylvania, Education Building, Commonwealth and Walnut Streets, Harrisburg, Pennsylvania 17126. A copy of items (2) and (3) may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Operating Reactors.

Dated at Bethesda, Maryland, this 14th day of June 1978.

For the Nuclear Regulatory Commission.

GEORGE LEAR,
Chief, Operating Reactors
Branch No. 3, Division of Operating Reactors.

[FR Doc. 78-17101 Filed 6-20-78; 8:45 am]

[7590-01]

[Docket No. 50-333]

POWER AUTHORITY OF THE STATE OF NEW YORK

Issuance of Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 37 to Facility Operating License No. DPR-59, issued to Power Authority of the State of New York (the licensee), which revised Technical Specifications for operation of the James A. FitzPatrick Nuclear Power Plant (the facility) located in Oswego County, New York. The amendment is effective as of its date of issuance.

The amendment revised the Technical Specifications by (1) revising the

Table of Minimum Test and Calibration Frequency for Primary Containment Isolation System, (2) revising the "keep-full" instrumentation sensors on core spray and residual heat removal system high point vents, (3) increasing the LPCI pump discharge pressure interlock setpoint, (4) lowering the set point for Main Steamline Isolation Valve Closure, and (5) deletion of the Respiratory Protection Program.

The applications for the amendment comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment. Prior public notice of this amendment was not required since the amendment does not involve a significant hazards consideration.

The Commission has determined that the issuance of this amendment will not result in any significant environmental impact and that pursuant to 10 CFR § 51.5(d)(4) an environmental impact statement, or negative declaration and environmental impact appraisal need not be prepared in connection with issuance of this amendment.

For further details with respect to this action, see (1) the applications for amendment dated July 20, 1977 and May 18, 1978, (2) Amendment No. 37 to License No. DPR-59, and (3) the Commission's related Safety Evaluation. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. and at the Oswego County Office Building, 46 East Bridge Street, Oswego, New York. A copy of items (2) and (3) may be obtained upon request addressed to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Director, Division of Operating Reactors.

Dated at Bethesda, Maryland, this 14th day of June 1978.

For the Nuclear Regulatory Commission.

THOMAS A. IPPOLITO,
Chief, Operating Reactors
Branch No. 3, Division of Operating Reactors.

[FR Doc. 78-17102 Filed 6-20-78; 8:45 am]

[7590-01]

[Docket Nos. 50-443, 50-444]

PUBLIC SERVICE COMPANY OF NEW
HAMPSHIRE, ET AL.

Order

Commissioners Victor Gilinsky,
Richard T. Kennedy and Peter A.

Bradford. In the matter of Public Service Company of New Hampshire, et al. (Seabrook Station, Units 1 and 2).

As part of its review of ALAB-471, the Commission will hear oral argument on June 26, 1978 beginning at 2:30 p.m. in Courtroom 3 of the Hillsborough County Courthouse, 300 Chestnut Street, Manchester, New Hampshire. The parties and allotted times will be as previously scheduled.

It is so ordered.

Dated at Washington, D.C. this 15th day of June, 1978.

For the Commission.

SAMUEL J. CHILK,
Secretary of the Commission.

[FR Doc. 78-17103 Filed 6-20-78; 8:45 am]

[7590-01]

ADVISORY COMMITTEE ON REACTOR SAFEGUARDS

Meeting

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 will hold a meeting on July 6-8, 1978, in Room 1046, 1717 H Street, NW, Washington, DC.

The agenda for the subject meeting will be as follows:

THURSDAY, JULY 6, 1978

8:30 A.M.-9:00 A.M.: *Executive Session (Open)*—The Committee will hear and discuss the report of the ACRS Chairman regarding miscellaneous matters relating to ACRS activities. The Committee will hear and discuss the report of the ACRS Subcommittee and consultants who may be present regarding the request for a Construction Permit for the New England Power Company Nuclear Project Units 1 and 2.

Portions of this session will be closed if necessary to discuss Proprietary Information applicable to this project and information related to physical protection of this facility.

9:15 A.M.-12:00 Noon: *New England Power Company Units 1 and 2 (Open)*—The Committee will hear and discuss presentations by representatives of the Nuclear Regulatory Commission (NRC) Staff and the Applicant related to the request for operation of the New England Power Company Nuclear Project Units 1 and 2.

Portions of this session will be closed if necessary to discuss Proprietary Information applicable to this matter and information related to physical protection of this facility.

12:00 Noon-12:45 P.M.: *Executive Session (Open)*—The Committee will hear and discuss the reports of ACRS Subcommittee on matters related to

light water reactor safety including proposed revisions of NRC Regulatory Guides, and the reporting and evaluation of nuclear power plant operating experience.

1:45 P.M.-2:15 P.M.: *Executive Session (Closed)*—The Committee will discuss the report of its Subcommittee and consultants who may be present regarding the Naval Prototype S8G. This session will be closed to protect classified information.

2:15 P.M.-4:30 P.M.: *Naval Prototype S8G (Closed)*—The Committee will hear and discuss reports of representatives of the NRC Staff and the Department of Energy, Division of Naval Reactors, regarding proposed operation of the Naval Prototype S8G at West Milton, New York.

This session will be closed to discuss classified information.

4:30 P.M.-6:30 P.M.: *Executive Session (Closed)*—The Committee will discuss its proposed reports to the NRC regarding New England Power Company Nuclear Project Units 1 and 2 and the Naval Prototype S8G.

This session will be closed to discuss material involved in an adjudicatory proceeding and classified information.

FRIDAY, JULY 7, 1978

8:30 A.M.-9:00 A.M.: *Executive Session (Open)*—The Committee will hear and discuss the report of its Subcommittee and consultants who may be present regarding proposed operation of the Indian Point Nuclear Generating Station Unit 3 at full design power.

Portions of this session will be closed if required to discuss Proprietary Information related to this plant and provisions for physical protection of this facility.

9:00 A.M.-11:00 A.M.: *Indian Point Nuclear Generating Station, Unit 3 (Open)*—The Committee will hear and discuss reports of the NRC Staff and the Applicant regarding proposed operation of the Indian Point Nuclear Generating Station Unit 3 at power levels up to 3025 MWt.

Portions of this session will be closed if required to discuss Proprietary Information related to this plant and provisions for physical protection of this station.

11:00 A.M.-12:00 Noon and 1:00 P.M.-2:45 P.M.: *Meeting with NRC Staff (Open)*—The NRC Staff will report to the ACRS on the proposed NRC Reactor Safety Research Program for Fiscal Year 1979.

The Committee will hear presentations from and hold discussions with members of the NRC Staff regarding recent licensing actions and operating experience including settlement of the pump house at the North Anna Nuclear Station and failure of the decay heat removal pump at the Crystal River Nuclear Plant Unit 3.

The future schedule for ACRS activities and topics proposed for considera-

tion by the Committee will also be discussed.

2:45 P.M.-3:15 P.M.: Executive Session (Open)—The Committee will hear and discuss the report of its Subcommittee and consultants who may be present regarding the request for operation of the Diablo Canyon Nuclear Power Station Units 1 and 2.

Portions of this session will be closed if necessary to discuss Proprietary Information applicable to this project and provisions for physical protection of this plant.

3:15 P.M.-6:30 P.M.: Diablo Canyon Nuclear Power Station, Units 1 and 2 (Open)—The Committee will hear and discuss reports of representatives of the NRC Staff and the Applicant regarding the request for an Operating License for the Diablo Canyon Nuclear Power Station Units 1 and 2.

Portions of this session will be closed if necessary to discuss Proprietary Information applicable to this matter and provisions for physical protection of this facility.

6:30 P.M.-7:00 P.M.: Executive Session (Open/Closed)—The Committee will discuss its proposed reports to NRC regarding Indian Point Unit 3 and Diablo Canyon Nuclear Power Station Units 1 and 2.

Portions of this meeting will be closed if necessary to discuss Proprietary Information applicable to these facilities, provisions for physical protection of these plants, and matters involved in adjudicatory proceedings.

SATURDAY, JULY 8, 1978

8:30 A.M.-4:00 P.M.: Executive Session (Open/Closed)—The Committee will complete its reports to the NRC regarding matters discussed during this meeting. Portions of this session will be closed as necessary to protect Proprietary and Classified Information, information related to plant physical protection, and matters involved in adjudicatory proceedings. The Committee will also discuss an open session a proposed report regarding ACRS activities during May-July, 1978 and amendment of the ACRS Bylaws.

Procedures for the conduct of and participation in ACRS meetings were outlined in the *FEDERAL REGISTER* on October 31, 1977, page 56972. In accordance with these procedures, oral or written statements may be presented by members of the public, recordings will be permitted only during those portions of the meeting when a transcript is being kept, and questions may be asked only by members of the Committee, its Consultants, and Staff Persons desiring to make oral statements should notify the ACRS Executive Director as far in advance as practical so that appropriate arrangements can be made to allow the necessary time during the meeting for such statements.

I have determined in accordance with Subsection 10(d) of Public Law 92-463 that it is necessary to close portions of the meeting as noted above to protect Proprietary Information (5 U.S.C. 552b(c)(4)), to preserve the confidentiality of classified and proprietary information related to safeguarding of special nuclear material and the physical protection of nuclear facilities (5 U.S.C. 552b(c)(1) and (4)), to permit discussion of matters involved in adjudicatory proceedings (5 U.S.C. 552b(c)(10)) and to protect Classified Information (5 U.S.C. 552b(c)(3)). Separation of factual information from information considered exempt from disclosure during closed portions of the meeting is not considered practical.

Background information concerning items to be considered during this meeting can be found in documents on file and available for public inspection as appropriate in the NRC's Public Document Room, 1717 H Street, NW., Washington, DC 20555 and in the following Public Document Rooms:

NEW ENGLAND POWER COMPANY NUCLEAR PROJECT

UNITS 1 AND 2

Cross Mill Public Library
Old Post Road
Charlestown, RI 02831
University of Rhode Island
University Library
Government Publications Office
Kingston, RI 02881

DIABLO CANYON NUCLEAR POWER STATION

UNITS 1 AND 2

San Luis Obispo County Free Library
888 Morro Street
San Luis Obispo, CA 93406

INDIAN POINT NUCLEAR GENERATING STATION

UNIT 3

White Plains Public Library
100 Martine Avenue
White Plains, NY 10601

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call to the ACRS Executive Director, Mr. Raymond F. Fraley (telephone 202/634-1371), between 8:15 A.M. and 5:00 P.M. EDT.

Dated: June 19, 1978.

SAMUEL J. CHILK,
Secretary of the Commission.

[FR Doc. 78-17280 Filed 6-20-78; 8:45 am]

[3110-01]

OFFICE OF MANAGEMENT AND BUDGET

PRIVACY ACT

New Systems

The purpose of this notice is to list reports on new systems filed with the Office of Management and Budget to give members of the public the opportunity to make inquiries about them and to comment on them.

The Privacy Act of 1974 requires the agencies to give advance notice to the Congress and the Office of Management and Budget of their intent to establish or modify systems of records subject to the Act (5 U.S.C. 552a(o)). During the period May 29, 1978 through June 9, 1978, the Office of Management and Budget received the following reports on new (or revised) systems of record.

DEPARTMENT OF DEFENSE

System Name:

Armed Services Vocational Aptitude Battery System.

Report Date:

May 23, 1978.

Point of Contact:

Mr. William Cavaney, Defense Privacy Board, Forrestal Building, 1000 Independence Avenue, SW, Washington, D.C. 20314.

Summary:

The Department of the Army proposes to alter this system by expanding the distribution of test data for use in admissions counseling at post-secondary vocational schools.

DEPARTMENT OF AGRICULTURE

System Name:

Independent Appraisers.

Report Date:

May 23, 1978.

Point of Contact:

Mr. Hoyt Abney, Forest Service, PO Box 2417, Department of Agriculture, Washington, D.C. 20013.

Summary:

The Forest Service proposes this system "to provide a ready reference of all independent fee appraisers available for possible contract service."

ENVIRONMENT PROTECTION AGENCY

System Names:

- (1) Confidential Statements of Employment and Financial Interest Files.
- (2) Freedom of Information Act Request File.
- (3) EPA Parking Control File.

- (4) Professional Expertise Inventory.
- (5) Statements of Known Financial Interests.

Report Date:

May 23, 1978.

Point of Contact:

Mr. Douglas M. MacMillan, Director, Management and Organization Division, U.S. Environmental Protection Agency, Washington, D.C. 20460.

Summary:

The Confidential Statements system includes financial interest statements filed by certain EPA officials at GS-13 and above. The second system includes copies of FOIA requests and of the EPA responses and "other pertinent correspondence." The EPA Parking Control File is used to monitor carpools used by EPA employees. The Professional Expertise Inventory is used by the Office of Research and Development to identify ORD staff members for appointment to special working groups, task forces, or special projects. The fifth system consists of financial interest statements filed under four statutes: The Toxic Substances Control Act; The Solid Waste Disposal Act; The Clean Air Act; and the Environmental Research, Development, and Demonstration Authorization Act of 1978. Note: Notices for the first four systems of records were published in the FEDERAL REGISTER on January 28, 1978.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

System Names:

- (1) Executive Personnel Files.
- (2) Telephone Numbers of HUD officials.
- (3) Adverse and Disciplinary Action and Employee Grievance Record.

Report Date:

May 26, 1978.

Point of Contact:

Mr. Harold Rosenthal, Departmental Privacy Act Officer, Department of Housing and Urban Development, Washington, D.C. 20410.

Summary:

The first system includes personnel-type records used in staffing, evaluation, or development of executive level, supergrade, Schedule C, and similar employees. The second system is used for identification of and communication with HUD senior officials. The third system "is a manual system consisting of documents relating to a decision or determination made by HUD affecting an individual employee."

Note: A waiver of the advance notice period has been requested for these

systems, which are stipulated to have been in existence prior to the effective date of the Privacy Act.

DEPARTMENT OF THE INTERIOR

System Name:

Financial Interest Statements and Ethics Counselor Decisions.

Report Date:

May 31, 1978.

Point of Contact:

Mr. Gabe Paone, Assistant Department Ethics Counselor, Department of the Interior, Washington, D.C. 20240.

Summary:

This system, maintained by the Office of the Secretary, is being modified to implement the Surface Mining Control and Reclamation Act of 1977. The modification reflects increased numbers and categories of individuals who are required to file Statements of Employment and Financial Interests. Note: A waiver of the advance notice period has been requested for this system.

DEPARTMENT OF LABOR

System Names:

- (1) Office of Workers' Compensation Program Investigation Files.
- (2) Office of Workers' Compensation Programs, Longshoremen's and Harbor Workers' Compensation Act Special Fund System.
- (3) Office of Workers' Compensation Programs, Longshoremen's and Harbor Workers' Compensation Act Case Files.

Report Date:

June 5, 1978.

Point-of-Contact:

Ms. Sofia P. Petters, Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210.

Summary:

The first system is proposed "in fulfillment of the Department of Labor's commitment to Congress that the Department will conduct investigations of incidences of possible fraud of the workers' compensation program it administers." Because the system may include records used in civil and/or criminal prosecutions, the Department of Labor proposes to exempt it under subsections (j)(2) and (k)(2) of the Act. The second system was formerly a part of the third and is being separated and described separately "to better describe the records and their uses." The notice for the third system is

being revised to reflect the split in the system.

VELMA N. BALDWIN,
Assistant to the Director
for Administration.

[FR Doc. 78-17056 Filed 6-20-78; 8:45 am]

[4710-09]

DEPARTMENT OF STATE

[Public Notice 615]

FISHERY REGISTRATION PERMITS FOR INTERNATIONAL PACIFIC HALIBUT CONVENTION

Policy Statement

AGENCY: Department of State, Bureau of Oceans and International Environmental and Scientific Affairs.

ACTION: Statement of Policy.

SUMMARY: This statement announces State Department policy regarding the issuance of registration permits for Canadian vessels fishing under the International Pacific Halibut Convention in the U.S. fishery conservation zone (FCZ).

EFFECTIVE DATE: June 19, 1978.

FOR FURTHER INFORMATION CONTACT:

Gary C. Nelson, Bureau of Oceans and International Environmental and Scientific Affairs, Office of Fisheries Affairs, Room 3214, Department of State, Washington, D.C., 20520. (202-632-2379).

SUPPLEMENTARY INFORMATION: Until recently Canadian vessels have been permitted to fish within the FCZ through provisional application of the 1978 Interim Reciprocal Fisheries Agreement between the United States and Canada. At noon on June 4, 1978, having decided no longer to apply the Interim Agreement, Canada excluded the U.S. fishing vessels from Canadian fisheries waters. The United States has responded to this action by forbidding further Canadian fishing in the FCZ, except as provided in the Fishery Conservation and Management Act of 1976, as amended, 16 U.S.C. § 1801(FCMA).

Because the FCMA permits foreign fishing in the FCZ which is authorized under international fishery agreements, Canadian vessels are allowed to fish in the FCZ pursuant to the International Pacific Halibut Convention. The FCMA calls for the Secretary of State, in cooperation with the Secretary of Commerce, to issue registration permits for such fishing. Given the suddenness of the decision not to apply the 1978 Interim Reciprocal Fisheries Agreement, however, it is not administratively possible to issue registration permits immediately. The large number of Canadian vessels in-

involved will necessitate several weeks of processing time and additional time will be required for the registration permits to be placed on board halibut vessels. Since this administrative impediment to full compliance with the FCMA is beyond the control of the Canadian vessels involved, the Secretary of State announces the interim policy below. The policy temporarily relieves Canadian halibut fishermen of the need to possess FCMA registration permits. As the policy involves a foreign affairs function of the United States, the rulemaking procedures of 5 U.S.C. § 553 do not apply.

POLICY

As soon as administratively possible the Secretary of State after consultation with the Secretaries of Commerce and Transportation, will issue registration permits in accordance with the FCMA, 16 U.S.C. § 1824(c), to all vessels licensed to fish for halibut by the International Pacific Halibut Convention (IPHC). Until such registration permits have been issued and there has been sufficient time for the permits to be placed aboard the permitted vessels, each vessel with a valid IPHC license on board will be deemed to be fishing in accordance with an FCMA registration permit. Violations of the terms of IPHC licenses during this interim period will be subject to enforcement and civil sanctions under the FCMA. This policy will be in effect until further notice.

Dated: June 16, 1978.

JOHN D. NEGROPONTE,
Deputy Assistant Secretary
for Oceans and Fisheries Affairs.

[FR Doc. 78-17353 Filed 6-20-78; 8:45 am]

[4910-06]

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

(Docket No. RFA 505-78-11)

PURCHASE OF REDEEMABLE PREFERENCE SHARES

Notice of Receipt of Application

Project: Notice is hereby given that the Chicago and North Western Transportation Company ("applicant"), 400 West Madison Street, Chicago, Illinois 60606, has filed an application with the Federal Railroad Administration ("FRA") under section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976, 45 U.S.C. 825, seeking financial assistance through the sale to the United States of redeemable preference shares ("shares") in the years 1978 through 1981 having an aggregate par value of \$120,770,000. Applicant proposes to redeem the par value of the shares

and to pay dividends on the shares in accordance with a schedule contained in the application such that payments will commence 11 years from the date of issuance of the shares and the par value of all shares will be redeemed within 30 years of their date of issuance.

The proceeds of the sale of the shares are to be used by the applicant (1) to rehabilitate 353.6 track miles on one of applicant's two main-line tracks between Chicago, Illinois and Fremont, Nebraska, including replacement of 112 lb. and 115 lb. jointed rail with 136 lb. continuous welded rail, turnouts, ties ballast undercutting and replacement and surfacing, (2) to extend the centralized traffic control system at Nelson and Missouri Valley, Iowa and from Blair to Fremont, Nebraska, (3) to rehabilitate segments of applicant's Chicago freight terminal facilities, including high priority portions of the Proviso, Illinois yard and the Rockwell line leading to applicant's Wood St. trailer-on-flat-car terminal and to interchange connections, and (4) to construct a new connection between applicant's main line and the Indiana Harbor Belt Railroad near Bellwood, Illinois. The work will be performed in accordance with the following schedule:

Project	Completion date	FRA funding ¹
Track work	1981	\$117,248,000
Centralized traffic control	1979	1,763,000
Chicago freight terminal	1980	6,366,000
IHB connection	1978	1,064,000
Subtotal		126,440,000
Less value of released material		5,670,000
Total		120,770,000

¹Includes 10 pct contingency.

Justification for Project: The applicant states that the track work will allow increased operating speeds; centralized traffic control will improve traffic flow in the single track area on the western end of the main line and at applicant's junction with its route to St. Louis, Missouri; improvements to the Chicago freight terminal will increase the efficiency of the hump yard operations and expedite traffic flow within the terminal area; and construction of the connection to the Indiana Harbor Belt Railroad will expedite traffic flow to other rail carriers.

Comments: Interested persons may submit written comments on the application to the Associate Administrator for Federal Assistance, Federal Railroad Administration, 400 Seventh Street, S.W., Washington, D.C. 20590, not later than the comment closing date shown below. Such submission shall indicate the docket number shown on this notice and state whether

the commenter supports or opposes the application and the reasons therefor.

The application will be made available for inspection during normal business hours in Room 5415 at the above address of the FRA, subject to the regulations of the office of the Secretary of Transportation set forth in Part 7 of Title 49 of the Code of Federal Regulations.

The comments will be considered by the FRA in evaluating the application. However, formal acknowledgement of comments will not be provided.

The FRA has not approved or disapproved this application nor has it passed upon the accuracy or adequacy of the information contained therein.

(Sec. 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Pub. L. 94-210), as amended.)

Dated: June 15, 1978.

Comment closing date: On or before July 21, 1978.

CHARLES SWINBURN,
Associate Administrator for Federal Assistance, Federal Railroad Administration.

[FR Doc. 78-17034 Filed 6-20-78; 8:45 am]

[4810-31]

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

[Notice No. 78-41]

ADVISORY COMMITTEE ON EXPLOSIVES TAGGING AND ITS TECHNICAL SUBCOMMITTEE

Closed Meeting

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App. I § 10(a)(2)), notice is hereby given that a closed meeting of the Advisory Committee on Explosives Tagging and its Technical Subcommittee will be held on July 26, 1978, at the Federal Building, 1200 Pennsylvania Avenue, NW, Washington, DC, room 5041, beginning at 9:30 a.m. (EDT).

The Advisory Committee and its Technical Subcommittee will discuss detailed proprietary, scientific, and technical data concerning various candidate explosive tagging systems that can be used in the detection and identification of explosives. The information which will be presented and discussed during the meeting will constitute trade secrets and commercial or financial information obtained from a person and privileged or confidential within the ambit of 5 U.S.C. § 552b(c)(4). Accordingly, the meeting of the Advisory Committee and its Technical Subcommittee will, under authority of section 10(d) of the Federal Advisory Committee Act (5 U.S.C. App. I § 10(d)), not be open to the public.

All communications regarding this meeting of the Advisory Committee and its Technical Subcommittee should be addressed to the Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226, Attention: Mr. Robert F. Dexter, Committees Manager, Technical Services Division, Explosives Technology Branch, room 8233.

Signed: June 15, 1978.

REN D. DAVIS,
Director.

[FR Doc. 78-17130 Filed 6-20-78; 8:45 am]

[7035-01]

INTERSTATE COMMERCE COMMISSION

[Notice No. 689]

ASSIGNMENT OF HEARINGS

JUNE 16, 1978.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

- MC 113651 (Sub-No. 260), Indiana Refrigerator Lines, Inc. now being assigned September 13, 1978 (1 day) at New York, NY in a hearing room to be later designated.
- MC 103993 (Sub-No. 916), Morgan Drive-Away, Inc. now being assigned September 12, 1978 (1 day) at New York, NY in a hearing room to be later designated.
- MC 133689 (Sub-No. 158), Overland Express, Inc. now being assigned September 11, 1978 (1 day) at New York, NY in a hearing room to be later designated.
- MC 144142, Ebony Messenger Service, Inc. now being assigned September 14, 1978 (2 days) at New York, NY in a hearing room to be later designated.
- MC 94265 (Sub-No. 255), Bonney Motor Express, Inc., is now assigned for hearing September 6, 1978 (3 days) at Chicago, IL, at a location to be later designated.
- MC 121236 (Sub-No. 3), Service Transportation Lines, Inc., is now assigned for hearing September 11, 1978 (1 week) at Chicago, IL, at a location to be later designated.
- MC-F 13336, Rio Grande Motor Way, Inc.—Purchase—Englewood Transit Company, and No. MC 60012 (Sub-No. 93), Rio Grande Motor Way, Inc., are now assigned for hearing September 18, 1978 (1 week) at Denver, CO, at a location to be later designated.
- MC-F 13349, Caravan Refrigerated Cargo, Inc.—Purchase—Specialized Truck Service, Inc. now being assigned September 12, 1978 at the Offices of the Interstate Commerce Commission in Washington, DC.

MC 136285 (Sub-No. 3M1), Southern Intermodal Logistics, Inc. now being assigned September 19, 1978 at the Offices of the Interstate Commerce Commission in Washington, DC.

MC 72243 (Sub-No. 56), The Aetna Freight Lines, Inc. now being assigned September 18, 1978 at the Offices of the Interstate Commerce Commission in Washington, DC.

MC 128273 (Sub-No. 275), Midwestern Distribution, Inc. now being assigned September 6, 1978 at the Offices of the Interstate Commerce Commission in Washington, DC.

MC 140768 (Sub-No. 13), American Trans-Freight, Inc. now being assigned September 6, 1978 at the Offices of the Interstate Commerce Commission in Washington, DC.

MC 118832 (Sub-No. 8), Westours Motor Coaches, Inc., now assigned July 24, 1978 at Seattle, WA is postponed indefinitely.

MC 139761 (Sub-No. 3), George Hand & J. R. Rutherford d.b.a. H & R Trucking, now assigned July 19, 1978, at Oklahoma City, OK, is canceled and reassigned for July 19, 1978, at Amarillo, TX in a hearing room to be later designated.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-17142 Filed 6-20-78; 8:45 am]

[7035-01]

IRREGULAR-ROUTE MOTOR COMMON CARRIERS OF PROPERTY—ELIMINATION OF GATEWAY LETTER NOTICES

JUNE 14, 1978.

The following letter-notices of proposals to eliminate gateways for the purpose of reducing highway congestion, alleviating air and noise pollution, minimizing safety hazards, and conserving fuel have been filed with the Interstate Commerce Commission under the Commission's *Gateway Elimination Rules* (49 CFR Part 1065), and notice thereof to all interested persons is hereby given as provided in such rules.

An original and two copies of protests against the proposed elimination of any gateway herein described may be filed with the Interstate Commerce Commission on or before July 3, 1978. A copy must also be served upon applicant or its representative. Protests against the elimination of a gateway will not operate to stay commencement of the proposed operation.

Successively filed letter-notices of the same carrier under these rules will be numbered consecutively for convenience in identification. Protests, if any, must refer to such letter-notices by number.

The following applicants seek to operate as a *common carrier*, by motor vehicles, over irregular routes.

No. MC 2900 (Sub-No. E46), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same

as above). *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, and those injurious or contaminating to other lading, from points in IN on the following Hwys: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line; to those points in PA on and south of a line beginning at the PA-OH State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, and then along U.S. Hwy 22 to Easton, PA. Any duplication of authority granted herein or to the extent that such authority duplicates any heretofore granted to or now held by carrier shall not be construed as conferring more than one operating right. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or de-

livered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateway eliminated: points in OH within 50 miles of Cleveland, OH.)

No. MC 2900 (Sub-No. E47), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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, and those injurious or contaminating to other lading, from points in IN on the following hwy's: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN-Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to those points in PA bounded by a line beginning at the OH-PA State line, and extending along PA Hwy 358 to Greenville, PA, then along PA Hwy 58 to Harrisville, PA, then along PA Hwy 8 to Stone House, PA, then along PA Hwy 528 to Prospect, PA, then along unnumbered hwy (formerly portion U.S. Hwy 422) to Portersville, PA, then along U.S. Hwy 19 to Zelenople, PA, then along PA Hwy 68 to the OH-PA State line, and then along the OH-PA State line to the point of beginning. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting at a point in Toledo or its commercial zone as de-

fined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH within 50 miles of Cleveland, OH, and New Castle, OH.)

No. MC 2900 (Sub-No. E48), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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, and those injurious or contaminating to other lading, from points in IN on the following hwy's: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to New York, NY and points in Bergen, Hudson, Passaic, Essex, Morris, Union, Somerset, Hunterdon, Sussex, Warren, Middlesex, Monmouth and Mercer Counties, NJ. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a des-

tinuation point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH within 50 miles of Cleveland, OH (Youngstown, OH) and points in PA south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, and then along U.S. Hwy 22 to Easton, PA, and points south thereof; (Easton and Doylestown, PA).)

No. MC 2900 (Sub-No. E49), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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, and those injurious or contaminating to other lading, from points in IN on the following hwy's: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junc-

tion IN Hwy 67 and the IN-OH State line, to those points within 20 miles of City Hall, Philadelphia, PA. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its Commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH within 50 miles of Cleveland, OH (Youngstown, OH) and Philadelphia, Pa.)

No. MC 2900 (Sub-No. E50), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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, and those injurious or contaminating to other lading, from points in PA within 60 miles of Blairsville, PA, to points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junc-

tion U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between Junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL, (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its Commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. Any duplication of authority granted herein or to the extent that such authority duplicates any heretofore granted to or now held by carrier shall not be construed as conferring more than one operating right. (Gateways eliminated: points in OH east of OH Hwy 13 and north of OH Hwy 39 (E. Liverpool, OH)).

No. MC 2900 (Sub-No. E51), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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, and those injurious or contaminating to other lading, from points in PA within 60 miles of Blairsville, PA, on and north of U.S. Hwy 30 to those points in IL on and north of U.S. Hwy 40 (except Effingham), St. Louis, MO, and on and south of U.S. Hwy 36 to junction IL Hwy 125, then to junction U.S. Hwy 67, then along U.S. Hwy 67 to junction U.S. Hwy 136, then along U.S. Hwy 136 to junction with IL-IA State line.

Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL, (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its Commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial Zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH east of OH Hwy 13 and north of OH Hwy 39 (E. Liverpool, OH) and Clarksville, IN).

No. MC 2900 (Sub-No. E52), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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, and those injurious or contaminating to other lading, from Binghamton, NY, to points in NC. Restriction: The operating rights contained herein shall not be tacked or joined to each other or to any other rights held by carrier so as to perform a transportation service between points north of the NC-VA State line, and points in Henry and Roanoke Counties, VA, over routes through Rockingham County, NC. The authority granted herein to the extent that it duplicates any authority heretofore granted to or now held by carrier shall not be construed as conferring more than one operating right. (Gateway eliminated: New York, NY).

No. MC 2900 (Sub-No. E53), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same

as above). *Cleaning compounds*, except commodities in bulk, from New York, NY to points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, and those points in IL on and north of U.S. Hwy 40 (except Effingham). Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateway eliminated: Pittsburgh, PA (points in PA within 60 miles of Blairsville, PA).)

No. MC 2900 (Sub-No. E54), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *Groceries and grocery store*

merchandise, except commodities in bulk, from Camden and Newark, NJ, and New York, NY, to points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line and those points in IL on and north of U.S. Hwy 40 (except Effingham). Restriction: No shipment may be (a) originated at, destined to, or interchanges with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanges with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateway eliminated: Pleasant Hill, PA (points in Lawrence County, PA within 60 miles of Blairsville, PA).)

No. MC 2900 (Sub-No. E55), filed July 9, 1974. APPLICANT: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same

as above). *Canned goods and agricultural commodities*, except commodities in bulk, from points in that part of NJ on and south of a line beginning at the NJ-PA State line, and extending along NJ Hwy 33 to Neptune, NJ, and then along unnumbered hwy to the Atlantic Seaboard (Camden, NJ), to points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, and those points in IL on and north of U.S. Hwy 40 (except Effingham). Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Pleasant Hill, PA (points in Lawrence County, PA within 60 miles of Blairsville, PA).)

No. MC 2900 (Sub-No. E56), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above). *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 Chicago, IL and points in its commercial zone, on the one hand, and, on the other, points in OH. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateway eliminated: those points in IN in the Chicago, IL commercial zone.)

No. MC 2900 (Sub-No. E57), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301-1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from those points in IL on and north of U.S. Hwy 40 (except Effingham) to those points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, then along U.S. Hwy 22 to Easton, PA. Restriction: No shipment

may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateway eliminated: Clarksville, IN, and points in OH within 50 miles of Cleveland, OH.)

No. MC 2900 (Sub-No. E58), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301-1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IL on and north of U.S. Hwy 40 (except Effingham), to points in PA beginning at the OH-PA State line, and extending along PA Hwy 358 to Greenville, PA, then along PA Hwy 58 to Harrisville, PA, then along PA Hwy 8 to Stone House, PA, then along PA Hwy 528 to Prospect, PA, then along unnumbered hwy (formerly portion U.S. Hwy 422) to Portersville, PA, then along U.S. Hwy 19 to Zelenople, PA, then along PA Hwy 68 to the OH-PA State line. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or inter-

changed with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Clarksville, IN, points in OH within 50 miles of Cleveland, OH and New Castle, PA.)

No. MC 2900 (Sub-No. E59), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301-1600 Wilson Blvd., Arlington VA 22209. *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, and those injurious or contaminating to other lading, from points in IL on and north of U.S. Hwy 40 (except Effingham), to points in Bergen, Hudson, Passaic, Essex, Morris, Union, Somerset, Hunterdon, Sussex, Warren, Middlesex, Monmouth and Mercer Counties, NJ. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Rich-

mond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Clarksville, IN, and points in OH within 50 miles of Cleveland, OH, points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, then along U.S. Hwy 22 to Easton, PA, Doylestown, PA used as gateway for Asbury Park and Trenton, NJ only.)

No. MC 2900 (Sub-No. E60), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301, 1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IL north of U.S. Hwy 40 (except Effingham), to points in NC, Charleston, SC, and points within 25 miles of Greenville, SC. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its Commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Clarksville, IN, points in OH within 50 miles of Cleveland, OH, points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, then along U.S. Hwy 22 to Easton, PA, and New York, NY.)

ment is located within the Commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: (1) Clarksville, IN, points in OH within 50 miles of Cleveland, OH, and Philadelphia, PA; (2) additional gateway of Charlotte, NC for Charleston, SC; (3) additional gateway of Tryon, NC for Anderson, Greenville and Spartanburg, SC.)

No. MC 2900 (Sub-No. E61), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301, 1600 Wilson Boulevard, Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IL on and north of U.S. Hwy 40 (except Effingham), to points within 20 miles of City Hall, Philadelphia, PA. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its Commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Clarksville, IN, points in OH within 50 miles of Cleveland, OH, and Philadelphia, PA.)

No. MC 2900 (Sub-No. E62), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), John Bradley, Suite 1301,

1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IL on and north of U.S. Hwy 40 (except Effingham), to points in Lewis, Oswego, St. Lawrence, Oneida, and Jefferson Counties, NY. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its Commercial zone as defined by the Commission; (d) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Clarksville, IN, points in OH within 50 miles of Cleveland, OH, points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, then along U.S. Hwy 22 to Easton, PA, and New York, NY.)

No. MC 2900 (Sub-No. E63), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301, 1600 Wilson Boulevard, Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IL on and north of U.S. Hwy 40 (except Effingham), to Binghamton, NY and Hancock, NY.

Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: Clarksville, IN, points in OH within 50 miles of Cleveland, OH, and New York, NY.)

No. MC 2900 (Sub-No. E64), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301, 1600 Wilson Boulevard, Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IL on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m)

IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to those points in PA on and south of a line beginning at the PA-OH State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, and then along U.S. Hwy 22 to Easton, PA. (Gateway eliminated: points in OH within 50 miles of Cleveland.)

No. MC 2900 (Sub-No. E65), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301, 1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to those points in PA beginning at the OH-PA State line, and extending along PA Hwy 358 to Greenville, PA, then along PA Hwy 58 to Harrisville, PA, then along PA Hwy 8 to Stone House, PA, then along PA Hwy 528 to Prospect, PA, then along unnumbered hwy (formerly portion U.S. Hwy 422) to Portersville, PA, then along U.S. Hwy 19 to Zelienople, PA, then along PA Hwy 68 to the OH-PA State line, and then along the OH-PA State line to the point of beginning. (Gateway eliminated: points in OH within 50 miles of Cleveland, OH and New Castle, OH.)

No. MC 2900 (Sub-No. E65), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite

1301, 1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to New York, NY and points in Bergen, Hudson Passaic, Essex, Morris, Union, Somerset, Hunterdon, Sussex, Warren, Middlesex, Monmouth, and Mercer Counties, NJ. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL, (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gate-

ways eliminated: points in OH within 50 miles of Cleveland, OH, and points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewiston, PA, and then along U.S. Hwy 22 to Easton, PA, and points south thereof; (Easton and Doylestown, PA.)

No. MC 2900 (Sub-No. E67), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), John Bradley, Suite 1301, 1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line; to points in NC, Charleston, SC, and points within 25 miles of Greenville, SC, including Greenville. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, In-

dianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville, KY or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: (1) points in OH within 50 miles of Cleveland, OH and Philadelphia, PA; (2) Charlotte, NC for Charleston, SC; (3) Tryon, NC for Greenville, SC and points within 25 miles thereof.)

No. MC 2900 (Sub-No. E68), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), John Bradley, Suite 1301, 1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to points within 20 miles of City Hall, Philadelphia, PA. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its com-

mercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville, KY or Cincinnati, OH, as defined by the Commission. (Gateway eliminated: points in OH within 50 miles of Cleveland, OH and Philadelphia, PA.)

No. MC 2900 (Sub-No. E69), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), and John Bradley, Suite 1301, 1600 Wilson Boulevard, Arlington, VA 22209. *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, from points in IN on the following hwy: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to points in Lewis, Oswego, Oneida, Jefferson and St. Lawrence Counties, NY. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up,

delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH within 50 miles of Cleveland, OH, points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, and then along U.S. Hwy 22 to Easton, PA, and points south thereof (Easton, PA), and New York, NY.)

No. MC 2900 (Sub-No. E70), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), John Bradley, Suite 1301-1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in IN on the following hwy's: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o)

IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line, to Binghamton, NY, and Hancock, NY. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH within 50 miles of Cleveland, OH, points in PA on and south of a line beginning at the OH-PA State line, and extending along U.S. Hwy 62 to Franklin, PA, then along U.S. Hwy 322 to Lewistown, PA, and then along U.S. Hwy 22 to Easton, PA (Easton, PA), and New York, NY.)

No. MC 2900 (Sub-No. E71), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), John Bradley, Suite 1301-1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in PA within 60 miles of Blairsville, PA, to points in IN on the following hwy's: (a) U.S. Hwy 20; (b) U.S. Hwy 40; (c) U.S. Hwy 50; (d) U.S. Hwy 52 between junction U.S. Hwy 41 and the IN-OH State line; (e) U.S. Hwy 41 between Vincennes and the IN-IL State line; (f) U.S. Hwy 24 between junction IN Hwy 25 and the IN-OH State line; (g) U.S. Hwy 31 between Indianapolis and junction U.S. Hwy 31E; (h) U.S. Hwy 31E between junction

U.S. Hwy 31 and the IN-KY State line; (i) U.S. Hwy 31W between junction U.S. Hwy 31 and the IN-KY State line; (j) U.S. Hwy 150 between junction U.S. Hwy 50 and the IN-KY State line; (k) U.S. Hwy 35 between junction U.S. Hwy 40 and the IN-OH State line; (l) IN Hwy 28 between junction U.S. Hwy 41 and junction IN Hwy 25; (m) IN Hwy 25 between junction IN Hwy 28 and U.S. Hwy 24; (n) IN Hwy 67 between Indianapolis and junction IN Hwy 32; (o) IN Hwy 32 between junction IN Hwy 67 and the IN-OH State line. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL; (b) transported from an origin point in IL to a destination point in IL; (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above-described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH east of OH Hwy 13 and north of OH Hwy 39 (E. Liverpool, OH).)

No. MC 2900 (Sub-No. E72), filed July 9, 1974. Applicant: RYDER TRUCK LINES, INC., P.O. Box 2408, Jacksonville, FL 32203. Applicant's representative: S. E. Somers, Jr. (same as above), John Bradley, Suite 1301, 1600 Wilson Blvd., Arlington, VA 22209. *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, and those injurious or contaminating to other lading, from points in PA within 60 miles of Blairsville, PA, to points in IL on and north of U.S. Hwy 40 (except Effingham), and St. Louis, Mo. Restriction: No shipment may be (a) originated at, destined to, or interchanged with a

connecting carrier, at a point in the St. Louis Commercial Zone as defined by the Commission if either the origin or destination of the shipment is a point in IL (b) transported from an origin point in IL to a destination point in IL, (c) picked up, delivered, or interchanged with a connecting carrier at any point in MI on the above-described routes if it originates at, is destined to, or will be interchanged with a connecting carrier at a point in Toledo or its commercial zone as defined by the Commission; (d) picked up, delivered or interchanged with a connecting carrier at any point in MI on the above described routes or in Toledo or its Commercial zone if it originates at, is destined to, or will be interchanged with a connecting carrier at Louisville, KY, Anderson, South Bend, Elkhart, Indianapolis, Richmond, Seymour, Ft. Wayne, Kokomo, Columbus, Jeffersonville, Clarksville, or Muncie, IN, including their respective commercial zones as defined by the Commission, or a point in OH; or (e) picked up from a consignor or delivered to a consignee within the St. Louis Commercial zone as defined by the Commission if either the origin or destination of the shipment is located within the commercial zone of Louisville, or Cincinnati, OH, as defined by the Commission. (Gateways eliminated: points in OH east of OH Hwy 13 and north of OH Hwy 39 (E. Liverpool, OH), and Clarksville, IN.)

No. MC 19311 (Sub-No. E1), filed January 23, 1976. Applicant: CENTRAL TRANSPORT, INC., Sterling Heights, MI. Applicant's representative: Leonard R. Kofkin, 39 South LaSalle St., Chicago, IL 60603. (1) *Automobile parts* from Tiffin, OH to Grand Rapids, MI and points within fifty miles of Grand Rapids; (2) *farm tractors, and farm equipment* intended for use with tractors and when moving with tractors from Tiffin, OH to points in MI in and north of Ottawa, Kent, Ionia, Clinton, Shiawassee, Genesee, Lapeer and St. Clair Counties; and (3) *butter, salt, creamery supplies, lumber and hardware* from Tiffin, OH to points in MI north of a line beginning at Benton Harbor, and extending along Interstate Hwy 94 (formerly U.S. Hwy 12) to Jackson, then along U.S. Hwy 127 to Lansing, then along U.S. Hwy 27 to Mt Pleasant on the indicated portions of the hwy specified. (Gateways eliminated: in part (1) Battle Creek, Kalamazoo, and Lansing, MI; in part (2) Detroit, Highland Park and Dearborn, MI; in part (3) Litchfield, MI.)

No. MC 40215 (Sub-No. E5) (correction), filed May 17, 1974, published in the Federal Register issue of September 1, 1976, republished March 9, 1978, and partially republished, as corrected, this issue. Applicant: RICHARDSON TRANSFER & STORAGE CO., INC., 246 N. 5th St., Salina, KS 67401. Applicant's representative: James F. Flint, Ephraim & Polydoroff, Suite 600, 1250 Connecticut Ave. NW., Washington, DC 20036. *Household goods*, as defined by the Commission, (1)(B) from those points in SD on and east of a line beginning at the ND-SD State line, and extending along SD Hwy 65, then along SD Hwy 65 to junction U.S. Hwy 212, then along U.S. Hwy 212 to junction SD Hwy 63, then along SD Hwy 63 to junction Interstate Hwy 90, then

along Interstate Hwy 90 to junction U.S. Hwy 83, then along U.S. Hwy 83 to the SD-NE State line, to points in AZ (Garden City, KS); (18) from points in SD on and west of a line beginning at the SD-ND State line near Buffalo, SD, and extending south along U.S. Hwy 85 to intersection at SD Hwy 79, then south along SD Hwy. 79 to junction U.S. Hwy 385 near Hot Springs, SD, then south along U.S. Hwy 385 to the SD-NE State line, to points in PA (Marysville, KS and/or Manhattan, KS; Kansas City, MO, and Ravenna, OH*); (21) from points in SD on and east of a line beginning at the SD-ND State line, near Ellendale, ND and extending south along U.S. Hwy 281 to the SD-NE State line near Pickston, SD, to points in Juab, San Pete, Carbon, Millard, Emery, Grand, Sevier, Beaver, Piute, Wayne, San Juan, Iron, Garfield, Washington, and Kane Counties, UT. (Garden City, KS*); (22)(A) from points in SD on and west of a line beginning at the ND-SD State line, and extending along U.S. Hwy 83 to the SD-NE State line near Valentine, NE to points in VA south and east of a line beginning at the Potomac River near Fredericksburg, VA, and extending west along VA Hwy 218 to junction VA Hwy 3 at Fredericksburg, VA, then west along VA Hwy 3 to junction VA Hwy 20, then along VA Hwy 20 to junction VA Hwy 231 at Orange, VA, then south along VA Hwy 231 to junction U.S. Hwy 250, then west along U.S. Hwy 250 to junction U.S. Hwy 220 at Monterey, VA, then south along U.S. Hwy 220 to junction VA Hwy 39 at Warm Springs, VA, then east along VA Hwy 39 to junction U.S. Hwy 60, then east along U.S. Hwy 60 to junction U.S. Hwy 29 at Amherst, VA, then south along U.S. Hwy 29 to the VA-NC State line; (22)(B) from points in SD to points in VA on and east and south of a line beginning at the VA-NC State line near Franklin, VA, and extending north along U.S. Hwy 258 to junction U.S. Hwy 60, then along U.S. Hwy 60 to Virginia Beach, VA (Manhattan, KS; Kansas City, MO; Ravenna, OH*). Gateways eliminated: indicated by asterisks above.)

NOTE.—The purpose of this republication is to correct the territorial description. The remainder of this letter-notice remains as previously published.

No. MC 40215 (Sub-No. E15) (correction), filed May 17, 1974, published in the Federal Register issue of March 15, 1978, and partially republished, as corrected, this issue. Applicant: RICHARDSON TRANSFER & STORAGE CO., INC., 246 N. 5th St., Salina, KS 67401. Applicant's representative: James F. Flint, Ephraim & Polydoroff, Suite 600, 1250 Connecticut Ave. NW., Washington, DC 20036. *Household goods*, as defined by the Commission, (1)(B) from points in MD on and west of a line beginning at the PA-MD State line, and extending along Interstate Hwy 83, then south along Interstate Hwy 83 to junction MD Hwys 32 and 3 to U.S. Hwy 301, then south along U.S. Hwy 301 to the VA-MD State line to points in OK. (Ravenna, OH, Fort Scott and Galena, KS*). (Gateways eliminated: indicated by asterisks above.)

NOTE.—The purpose of this republication is to reflect the destination of OK, previously omitted. The remainder of this letter-notice remains as previously published.

No. MC 40215 (Sub-No. E27) (correction), filed May 17, 1974, published in the Federal Register issue of May 12, 1978, and partially republished, as corrected, this issue. Applicant: RICHARDSON TRANSFER & STORAGE CO., INC., 246 N. 5th St., Salina, KS 67401. Applicant's representative: James F. Flint, Suite 600, 1250 Connecticut Ave. NW., Washington, DC 20036. *Household goods*, as defined by the Commission, (1)(B) from those points in SD on and east of a line beginning at the ND-SD State line, and extending along SD Hwy 65, then along SD Hwy 65 to junction U.S. Hwy 212, then along U.S. Hwy 212 to junction SD Hwy 63, then along SD Hwy 63 to junction Interstate Hwy 90, then

along Interstate Hwy 90 to junction U.S. Hwy 83, then along U.S. Hwy 83 to the SD-NE State line, to points in AZ (Garden City, KS); (18) from points in SD on and west of a line beginning at the SD-ND State line near Buffalo, SD, and extending south along U.S. Hwy 85 to intersection at SD Hwy 79, then south along SD Hwy. 79 to junction U.S. Hwy 385 near Hot Springs, SD, then south along U.S. Hwy 385 to the SD-NE State line, to points in PA (Marysville, KS and/or Manhattan, KS; Kansas City, MO, and Ravenna, OH*); (21) from points in SD on and east of a line beginning at the SD-ND State line, near Ellendale, ND and extending south along U.S. Hwy 281 to the SD-NE State line near Pickston, SD, to points in Juab, San Pete, Carbon, Millard, Emery, Grand, Sevier, Beaver, Piute, Wayne, San Juan, Iron, Garfield, Washington, and Kane Counties, UT. (Garden City, KS*); (22)(A) from points in SD on and west of a line beginning at the ND-SD State line, and extending along U.S. Hwy 83 to the SD-NE State line near Valentine, NE to points in VA south and east of a line beginning at the Potomac River near Fredericksburg, VA, and extending west along VA Hwy 218 to junction VA Hwy 3 at Fredericksburg, VA, then west along VA Hwy 3 to junction VA Hwy 20, then along VA Hwy 20 to junction VA Hwy 231 at Orange, VA, then south along VA Hwy 231 to junction U.S. Hwy 250, then west along U.S. Hwy 250 to junction U.S. Hwy 220 at Monterey, VA, then south along U.S. Hwy 220 to junction VA Hwy 39 at Warm Springs, VA, then east along VA Hwy 39 to junction U.S. Hwy 60, then east along U.S. Hwy 60 to junction U.S. Hwy 29 at Amherst, VA, then south along U.S. Hwy 29 to the VA-NC State line; (22)(B) from points in SD to points in VA on and east and south of a line beginning at the VA-NC State line near Franklin, VA, and extending north along U.S. Hwy 258 to junction U.S. Hwy 60, then along U.S. Hwy 60 to Virginia Beach, VA (Manhattan, KS; Kansas City, MO; Ravenna, OH*). Gateways eliminated: indicated by asterisks above.

NOTE.—The purpose of this partial republication is to correct the territorial descriptions. The remainder of this letter-notice remains as previously published.

No. MC 61440 (Sub-No. E1), filed February 18, 1976. Applicant: LEE WAY MOTOR FREIGHT, INC., 3000 W. Reno, P.O. Box 82488, Oklahoma City, OK 73108. Applicant's representative: Roland Rice, Suite 618, 1111 E Street NW., Washington, DC 20004. *General commodities*, except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contami-

nating to other lading, between Memphis, TN, on the one hand, and, on the other, Oklahoma City, OK, and points within 20 miles thereof. (Gateway eliminated: West Memphis, AR.)

No. MC 61825 (Sub-No. E154) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 15, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, DC 20036. *New furniture*, from points in NC on and east of U.S. Hwy 52 and points in VA on, south and east of a line beginning at the Atlantic Ocean, and extending along the VA-MD State line to the Chesapeake Bay, then along the Potomac River to VA Hwy 619, then along VA Hwy 619 to junction U.S. Hwy 29, then along U.S. Hwy 29 to junction U.S. Hwy 211, then along U.S. Hwy 211 to junction VA Hwy 260, then along VA Hwy 260 to junction VA Hwy 259, then along VA Hwy 259 to junction VA Hwy 613, then along VA Hwy 613 to junction VA Hwy 257, then along VA Hwy 257 to junction VA Hwy 731, then along VA Hwy 731 to junction VA Hwy 42, then along VA Hwy 42 to junction U.S. Hwy 60, then along U.S. Hwy 60 to the VA-WV State line to junction U.S. Hwy 460, then along U.S. Hwy 460 to junction VA Hwy 100, then along VA Hwy 100 to junction U.S. Hwy 11, then along U.S. Hwy 11 to junction VA Hwy 100, then along VA Hwy 100 to junction U.S. Hwy 58, then along U.S. Hwy 58 to junction VA Hwy 89, then along VA Hwy 89 to the VA-NC State line to points in AR, KS, MN, OK, and TX. (Gateway eliminated: Martinsville, VA.)

NOTE.—The purpose of this republication is to correct a word in the territorial description.

No. MC 61825 (Sub-No. E214) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 21, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, DC 20036. *Furniture parts, materials, equipment and supplies* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in IA on, north and west of a line beginning at the IL-IA State line, and extending along U.S. Hwy 20 to junction U.S. Hwy 63, then along U.S. Hwy 63 to junction IA Hwy 96, then along IA Hwy 96 to junction IA Hwy 14, then along IA Hwy 14 to junction Interstate Hwy 80, then along Interstate Hwy 80 to junction Interstate Hwy 35, then along Interstate Hwy 35 to junction U.S. Hwy 34,

then along U.S. Hwy 34 to junction U.S. Hwy 169, then along U.S. Hwy 169 to the IA-MO State line to points in NC on and west of a line beginning at the SC-NC State line, and extending along U.S. Hwy 52 to junction NC Hwy 8, then along NC Hwy 8 to junction U.S. Hwy 29/70, then north along U.S. Hwy 29/70 to junction U.S. Hwy 52, then north along U.S. Hwy 52 to junction NC Hwy 89, then north along NC Hwy 89 to junction NC Hwy 8, then north along NC Hwy 8 to the NC-VA State line, and points on and east of a line beginning at the NC-SC State line, and extending along U.S. Hwy 521 to junction U.S. Hwy 21, then along U.S. Hwy 21 to the NC-VA State line. (Gateways eliminated: Smyth County and Lynchburg, VA.)

NOTE.—The purpose of this correction is to state the correct territorial description.

No. MC 61825 (Sub-No. E220) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth St., NW., Washington, DC 22036. *Furniture parts, material, equipment and supplies* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in AZ, CA, CO, ID, MT, NM, NV, OR, UT, WA, WY and points in ND, SD and NE on and west of a line beginning at the U.S.-CD International Boundary line at the ND-MN State line, and extending along the ND-MN State line to junction U.S. Hwy 2, then along U.S. Hwy 2 to junction Interstate Hwy 29, then along Interstate Hwy 29 to junction ND Hwy 15, then along ND Hwy 15 to junction ND Hwy 18, then along ND Hwy 18 to junction ND Hwy 200, then along ND Hwy 200 to junction ND Hwy 32, then along ND Hwy 32 to junction Interstate Hwy 94, then along Interstate Hwy 94 to junction ND Hwy 1, then along ND Hwy 1 to the ND-SD State line, then along SD Hwy 37 to junction SD Hwy 10, then along SD Hwy 10 to junction U.S. Hwy 281, then along U.S. Hwy 281 to junction SD Hwy 26, then along SD Hwy 26 to junction SD Hwy 26 to junction SD Hwy 45, then along SD Hwy 45 to junction SD Hwy 44, then along SD Hwy 44 to junction SD Hwy 50, then along SD Hwy 50 to junction U.S. Hwy 281, then along U.S. Hwy 281 to the SD-NE State line, and extending along U.S. Hwy 281 to junction NE Hwy 92, then along NE Hwy 92 to junction NE Hwy 14, then along NE Hwy 14 to junction NE Hwy 66, then along NE Hwy 66 to junction U.S. Hwy 81, then along U.S. Hwy 81 to junction U.S. Hwy 34, then along U.S. Hwy 34 to junction U.S. Hwy 77, then along

U.S. Hwy 77 to junction NE Hwy 2, then along NE Hwy 2 to the NE-IA State line, then along the NE-IA State line to the NE-MO State line, then along the NE-MO State line to the NE-KS State line to points in VA north of a line beginning at the MD-VA State line, and extending along VA Hwy 655 to junction U.S. Hwy 15, then along U.S. Hwy 15 to junction VA Hwy 9, then along VA Hwy 9 to junction VA Hwy 7, then along VA Hwy 7 to junction U.S. Hwy 340, then along U.S. Hwy 340 to junction VA Hwy 277, then along VA Hwy 277 to junction VA Hwy 629, then along VA Hwy 629 to junction VA Hwy 55, then along VA Hwy 55 to the VA-WV State line. (Gateways eliminated: Lynchburg, and Smyth County, VA.)

NOTE.—The purpose of this republication is to state the correct commodity description and territorial description.

No. MC 61825 (Sub-No. E221) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth St., NW., Washington, DC 20036. *Furniture parts, materials, equipment and supplies* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in AZ, CA, CO, ID, MT, NE, NV, NM, ND, OR, SD, UT, WA and WY to those points in MD, DC, VA, NC, SC bounded by a line beginning at the DE-MD State line, and extending along Interstate Hwy 95 to junction Interstate Hwy 495, then along Interstate Hwy 495 to junction MD Hwy 193, then along MD Hwy 193 to junction MD Hwy 586, then along MD Hwy 586 to junction MD Hwy 28, then along MD Hwy 28 to junction MD Hwy 107, then along MD Hwy 107, to the MD-VA State line, then along the MD-VA State line to junction VA Hwy 655, then along VA Hwy 655 to junction U.S. Hwy 15, then along U.S. Hwy 15 to junction VA Hwy 7, then along VA Hwy 7 to junction U.S. Hwy 340, then along U.S. Hwy 340 to junction VA Hwy 277, then along VA Hwy 277 to junction VA Hwy 628, then along VA Hwy 628 to junction VA Hwy 55, then along VA Hwy 55 to the VA-WV State line, then along the VA-WV State line to junction VA Hwy 311, then along VA Hwy 311 to junction VA Hwy 42, then along VA Hwy 42 to junction VA Hwy 100, then along VA Hwy 100 to junction U.S. Hwy 11, then along U.S. Hwy 11 to junction VA Hwy 100, then along VA Hwy 100 to junction U.S. Hwy 58, then along U.S. Hwy 58 to junction VA Hwy 89, then along VA Hwy 89 to the VA-NC State line, then along NC Hwy 89 to junction U.S. Hwy 601, then

along U.S. Hwy 601 to junction NC Hwy 268, then along NC Hwy 268 to junction U.S. Hwy 21, then along U.S. Hwy 21 to junction U.S. Hwy 521, then along U.S. Hwy 521 to the NC-SC State line, then along U.S. Hwy 521 to junction SC Hwy 341, then along SC Hwy 341 to junction SC Hwy 512, then along SC Hwy 512 to junction U.S. Hwy 52, then along U.S. Hwy 52 to junction SC Hwy 527, then along SC Hwy 527 to junction SC Hwy 41, then along SC Hwy 41 to junction U.S. Hwy 521, then along U.S. Hwy 521 to the Winyah Bay, then along the Winyah Bay to the Atlantic Ocean, then along the Atlantic Ocean Shore to the DE-MD State line, then along the DE-MD State line to the point of beginning, including points on hwy specified. (Gateways eliminated: Lynchburg and Smyth Counties, VA.)

NOTE.—The purpose of this republication is to state the correct commodity description.

No. MC 61825 (Sub-No. E222) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, DC 20036. *Furniture parts, materials, equipment and supplies* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in CA, ID, MT, NV, and OR and WA on and west of a line beginning at the U.S.-CD International Boundary line at Port of Whitlash, MT, and extending along unnumbered hwy to junction U.S. Hwy 2, then along U.S. Hwy 2 to junction MT Hwy 223, then along MT Hwy 223 to junction U.S. Hwy 87, then along U.S. Hwy 87 to junction MT Hwy 200, then along MT Hwy 200 to junction U.S. Hwy 12, then along U.S. Hwy 12 to the MT-ID State line, then along U.S. Hwy 12 to junction ID Hwy 13, then along ID Hwy 13 to junction U.S. Hwy 95, then along U.S. Hwy 95 to the ID-OR State line then along U.S. Hwy 95 to junction U.S. Hwy 50, then along U.S. Hwy 50 to the NV-CA State line, then along U.S. Hwy 50 to junction Interstate Hwy 80, then along Interstate Hwy 80 to junction CA Hwy 113, then south along CA Hwy 113 to junction CA Hwy 12, then west along CA Hwy 12 to junction Interstate Hwy 80, then south along Interstate Hwy 80 to junction Interstate Hwy 680, then along Interstate Hwy 680 to junction CA Hwy 84, then along CA Hwy 84 to the Pacific Ocean to points in NC on and bounded by a line beginning at the TN-NC State line at U.S. Hwy 441, and extending along U.S. Hwy 441 to junction U.S. Hwy 19, then along U.S. Hwy 19 to junction NC Hwy 28, then

along NC Hwy 28 to junction unnumbered hwy near Stecoah, NC, then along unnumbered hwy to junction U.S. Hwy 129, then along U.S. Hwy 129 to junction U.S. Hwy 19, then along U.S. Hwy 19 to junction unnumbered hwy near Nantahala, NC, then along unnumbered hwy through Kyle and Aquone, NC, and extending to junction U.S. Hwy 64, then along U.S. Hwy 64 to junction U.S. Hwy 23, then along U.S. Hwy 23 to the NC-GA State line then along the NC-GA State line to U.S. Hwy 276, then along U.S. Hwy 276 to the U.S. Hwy 19A, then along U.S. Hwy 19A to junction NC Hwy 209, then along NC Hwy 209 to junction U.S. Hwy 25, then along U.S. Hwy 25 to the NC-TN State line, then along the NC-TN State line to the point of beginning. (Gateways eliminated: Lynchburg and Smyth Counties, VA.)

NOTE.—The purpose of this republication is to state the correct commodity description and territorial description.

No. MC 61825 (Sub-No. E241) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 17, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, DC 20036. *Furniture parts, materials, supplies and equipment* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in MO on, north and west of a line beginning at the AR-MO State line, and extending along MO Hwy 101 to junction U.S. Hwy 160, then along U.S. Hwy 160 to junction U.S. Hwy 63, then along U.S. Hwy 63 to junction U.S. Hwy 66, then along U.S. Hwy 66 to the MO-IL State line to points in NC on and east of U.S. Hwy 52 and west of a line beginning at the SC-NC State line, and extending along U.S. Hwy 501 to junction NC Hwy 22, then along NC Hwy 22 to junction U.S. Hwy 220, then along U.S. Hwy 220 to the NC-VA State line. (Gateways eliminated: Smyth County and Lynchburg, VA.)

NOTE.—The purpose of this republication is to state the correct territorial description.

No. MC 61825 (Sub-No. E247) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 17, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, DC 20036. *Furniture parts, materials, equipment and supplies* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in AR on and west of a line beginning at the AR-MO State line, and extending along AR

Hwy 9 to junction AR Hwy 16, then along AR Hwy 16 to junction AR Hwy 124, then along AR Hwy 124 to junction AR Hwy 5, then along AR Hwy 5 to junction U.S. Hwy 67/167, then along U.S. Hwy 67/167 to junction Interstate Hwy 30, then along Interstate Hwy 30 to the AR-TX State line to points in NC on and east of a line beginning at the SC-NC State line, and extending along U.S. Hwy 52 to junction NC Hwy 8, then along NC Hwy 8 to junction U.S. Hwy 70, then along U.S. Hwy 70 to junction U.S. Hwy 52, then along U.S. Hwy 52 to the NC-VA State line, and points west of a line beginning at the Atlantic Ocean near Surf City, NC, and extending along NC Hwy 210 to junction U.S. Hwy 17, then along U.S. Hwy 17 to junction NC Hwy 210, then along NC Hwy 210 to junction NC Hwy 242, then along NC Hwy 242 to junction NC Hwy 24, then along NC Hwy 24 to junction NC Hwy 82, then along NC Hwy 82 to junction NC Hwy 55, then along NC Hwy 55 to junction NC Hwy 42, then along NC Hwy 42 to junction NC Hwy 87, then along NC Hwy 87 to the NC-VA State line. (Gateways eliminated: Smyth County and Lynchburg, VA.)

NOTE.—The purpose of this republication is to state the correct highway.

No. MC 61825 (Sub-No. E249) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, DC 20036. *Materials* used in the manufacture of furniture, from points in OH on and south of a line beginning at the IN-OH State line, and extending along U.S. Hwy 35 to junction OH Hwy 122, then along OH Hwy 122 to junction OH Hwy 123, then along OH Hwy 123 to junction OH Hwy 350, then along OH Hwy 350 to junction OH Hwy 134, then along OH Hwy 134 to junction OH Hwy 124, then along OH Hwy 124 to junction OH Hwy 346, then along OH Hwy 346 to junction U.S. Hwy 50, then along U.S. Hwy 50 to the OH River to points in NC on and east of a line beginning at the SC-NC State line near Charlotte, NC, then along Interstate Hwy 77 to junction U.S. Hwy 21, then along U.S. Hwy 21 to junction U.S. Hwy 421, then along U.S. Hwy 421 to the Yadkin-Forsyth County line, then along the Yadkin-Forsyth County line to junction NC Hwy 67, then along NC Hwy 67 to junction NC Hwy 65, then along NC Hwy 65 to junction U.S. Hwy 52, then along U.S. Hwy 52 to junction NC Hwy 268, then along NC Hwy 268 to junction NC Hwy 66, then along NC Hwy 66 to junction NC Hwy 704, then along NC Hwy 704 to junction NC

Hwy 8, then along NC Hwy 8 to the NC-VA State line. (Gateway eliminated: Martinsville, VA.)

NOTE.—The purpose of this republication is to state the correct highway descriptions.

No. MC 61825 (Sub-No. E250) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth St., NW., Washington, DC 20036. *Materials* used in the manufacture of furniture, from points in OH on, north and east of a line beginning at the IN-OH State line, and extending along U.S. Hwy 35 to junction OH Hwy 122, then along OH Hwy 122 to junction OH Hwy 123, then along OH Hwy 123 to junction OH Hwy 350, then along OH Hwy 350 to junction OH Hwy 134, then along OH Hwy 134 to junction OH Hwy 124, then along OH Hwy 124 to junction OH Hwy 346, then along OH Hwy 346 to junction U.S. Hwy 50, then along U.S. Hwy 50 to the OH River, and points located south and west of a line beginning on Lake Erie in Cleveland, OH, then along the Cuyahoga River to Interstate Hwy 90, then along Interstate Hwy 90 to junction OH Hwy 14, then along OH Hwy 14 to junction Interstate Hwy 480, then along Interstate Hwy 480 to junction OH Hwy 14, then along OH Hwy 14 to junction OH Hwy 183, then along OH Hwy 183 to junction OH Hwy 173, then along OH Hwy 173 to Westville, OH, then along unnumbered highway to East Rochester, OH, then along U.S. Hwy 30 to junction OH Hwy 644, then along OH Hwy 644 to junction OH Hwy 164, then along OH Hwy 164 to junction OH Hwy 43, then along OH Hwy 43 to junction OH Hwy 152, then along OH Hwy 152 to junction OH Hwy 150, then along OH Hwy 150 to junction OH Hwy 647, then along OH Hwy 647 to junction the Ohio River to points in NC on, east and south of a line beginning at the SC-NC State line, then along NC Hwy 18 to junction NC Hwy 150, then along NC Hwy 150 to junction U.S. Hwy 321, then along U.S. Hwy 321 to junction Interstate Hwy 40, then along Interstate Hwy 40 to junction U.S. Hwy 21, then along U.S. Hwy 21 to junction U.S. Hwy 421, then along U.S. Hwy 421 to junction U.S. Hwy 601, then along U.S. Hwy 601 to junction NC Hwy 268, then along NC Hwy 268 to junction NC Hwy 704, then along NC Hwy 704 to junction NC Hwy 8, then along NC Hwy 8 to the NC-VA State line, and points located on, west and south of a line beginning at the VA-NC State line near Roanoke Rapids, then along NC Hwy 46 to junction U.S. Hwy 158, then along U.S. Hwy 158 to junction NC Hwy 365, then

along NC Hwy 365 to junction U.S. Hwy 258, then along U.S. Hwy 258 to junction NC Hwy 308, then along NC Hwy 308 to junction U.S. Hwy 13, then along U.S. Hwy 13 to junction U.S. Hwy 64, then along U.S. Hwy 64 to the Atlantic Ocean. (Gateway eliminated: Martinsville, VA.)

NOTE.—The purpose of this republication is to state the territorial description.

No. MC 61825 (Sub-No. E265) (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth St., NW., Washington, DC 20036. *General commodities* (except those of unusual value), Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading, between points in Beaver County, PA, on the one hand, and, on the other, points in NC, except points in Alleghany, Ashe, Avery, Buncombe, Camden, Chowan, Currituck, Dare, Gates, Hertford, Hyde, Madison, Mitchell, Pasquotank, Perquimans, Surry, Tyrrell, Washington, Watauga, Yadkin and Yancey Counties. (Gateways eliminated: Weirton, WV and Lynchburg, VA.)

NOTE.—The purpose of this republication is to correct the spelling of a county in NC.

No. MC 61825 (Sub-No. E268), (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, D.C. 20036. *General commodities*, (except those of unusual value), Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, commodity requiring special equipment and those injuries or contaminating to other lading, between points in Washington County, PA, on the one hand, and, on the other, points in Alabama, Anson, Bladen, Brunswick, Cabarrus, Carteret, Caswell, Chatham, Columbus, Craven, Cumberland, Duplin, Durham, Franklin, Granville, Greene, Harnett, Hoke, Johnston, Jones, Lee, Lenoir, Macon, Montgomery, Moore, Nash, New Hanover, Onslow, Orange, Pender, Person, Randolph, Richmond, Robeson, Sampson, Scotland, Stanly, Union, Vance, Wake, Wayne and Wilson Counties, NC. (Gateways eliminated: Weirton, WV and Lynchburg, VA.)

NOTE.—The purpose of this republication is to state the correct spelling of a county in NC.

No. MC 61825 (Sub-No. E272), (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, D.C. 20036. *General commodities* (except those of unusual value), Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment and those injuries or contaminating to other lading, between points in Columbiana County, OH, on the one hand, and, on the other, points in NC, except points in Avery, Buncombe, Madison, Mitchell, and Yancey Counties. (Gateways eliminated: Weirton, WV and Lynchburg, VA.)

NOTE.—The purpose of this republication is to state the correct territorial description.

No. MC 61825 (Sub-No. E274), (correction), filed May 13, 1974, published in the FEDERAL REGISTER issue of October 29, 1975, and republished, as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth Street NW., Washington, D.C. 20036. *General commodities* (except those of unusual value), Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment and those injuries or contaminating to other lading, between points in Jefferson County, OH, on the one hand, and, on the other, points in NC except points in Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, McDowell, Macon, Madison, Mitchell, Polk, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin and Yancey Counties. (Gateways eliminated: Weirton, WV and Lynchburg, VA.)

NOTE.—The purpose of this republication is to state the correct gateways eliminated.

No. MC 61825 (Sub-No. E279), (correction), filed May 13, 1974, published in the FEDERAL REGISTER issued October 29, 1975, and republished as corrected, this issue. Applicant: ROY STONE TRANSFER CORP., P.O. Box 385, Collinsville, VA 24078. Applicant's representative: Harry J. Jordan, 1000 Sixteenth St., NW., Washington, DC 20036. *Furniture parts, materials, equipment and supplies* used in the manufacture and distribution of new furniture and furniture parts (except in bulk), from points in TX on and west of a line beginning at the TX-OK State line, and extending along U.S. Hwy 60 to junction U.S. Hwy 83, then south along U.S. Hwy 83 to junction

U.S. Hwy 62/83, then south along U.S. Hwy 62/83 to junction U.S. Hwy 70, then west along U.S. Hwy 70 to junction TX Hwy 70, then south along TX Hwy 70 to junction TX Hwy 208, and then south along TX Hwy 208 to junction U.S. Hwy 380, then west along U.S. Hwy 380 to junction TX Hwy 208, then south along TX Hwy 208 to junction TX Hwy 163, then south along TX Hwy 163 to junction U.S. Hwy 90, then west along U.S. Hwy 90 across the Pecos River, then west along U.S. Hwy 90 to the Rio Grande River to points in SC on and east of a line beginning on the Atlantic Ocean, then north along U.S. Hwy 501 to junction U.S. Hwy 76, then west along U.S. Hwy 76 to junction U.S. Hwy 52, then north along U.S. Hwy 52 to junction SC Hwy 151, then west along SC Hwy 151 to junction SC Hwy 109, then north along SC Hwy 109 to junction SC Hwy 102, then north along SC Hwy 102 to the SC-NC State line. (Gateways eliminated: points in Smyth County and Lynchburg, VA).

NOTE.—The purpose of this republication is to state the correct territorial description.

No. MC 73165 (Sub-No. E126), filed April 8, 1976. Applicant: EAGLE MOTOR LINES, INC., P.O. Box 11806, Birmingham, AL 35202. Applicant's representative: William P. Parker (same as above). (Part 5) *Cooling towers, and accessories, materials, and supplies for cooling towers*, which because of size or weight require the use of special equipment (except commodities in bulk, pipe, pipeline material, machinery, equipment and supplies incidental to and used in connection with the construction, dismantling and repair of pipelines), (a) from points in WI within 150 miles of Dubuque, IA, to points in FL, LA, points in AR south of a line beginning at the AR-TN State line at Memphis, TN, then along Interstate Hwy 55 to intersection U.S. Hwy 63 near Gilmore, AR, then along U.S. Hwy 63 to intersection U.S. Hwy 67 at Hoxie, AR, then along U.S. Hwy 67 to the TX-AR State line at Texarkana, AR, points in TX on and south of a line beginning at the TX-AR State line at Texarkana, AR, then along U.S. Hwy 67 to intersection U.S. Hwy 271 at Vernon, TX, then along U.S. Hwy 271 to intersection Interstate Hwy 35 at Waco, TX, then along Interstate Hwy 35 to intersection U.S. Hwy 190 at Temple, TX, then along U.S. Hwy 190 to intersection U.S. Hwy 87 at Brady, TX, then along U.S. Hwy 87 to intersection U.S. Hwy 67 at San Angelo, TX, then along U.S. Hwy 67 to the U.S.-MX International Boundary line at Presidio, TX, points in MS on the south of U.S. Hwy 72, points in AL on and south of a line beginning at the AL-MS State line near Margerum, AL, then along U.S. Hwy 72 to intersection U.S. Hwy 431

at Huntsville, AL, then along U.S. Hwy 431 to junction U.S. Hwy 78 at Amistown, AL, then along U.S. Hwy 78 to the AL-GA State line, and points in GA on and south of a line beginning at the GA-AL State line near Tallapoosa, AL, then along U.S. Hwy 788 to intersection U.S. Hwy 27 at Bremen, GA, then along U.S. Hwy 27 to intersection U.S. Alternate Hwy 27, then along U.S. Alternate Hwy 27 to intersection GA Hwy 16 at Newnan, GA, then along GA Hwy 16 to intersection U.S. Hwy 341 at Griffin, GA, then along U.S. Hwy 341 to Atlantic Coast at Brunswick, GA. (b) from points in IA within 150 miles of Dubuque, IA to points in FL, MS, points in AR on, south and east of U.S. Hwy 79, points in LA on and south of U.S. Hwy 79, points in TX on and south of a line beginning at the TX-LA State line near Panola, TX, then along U.S. Hwy 79 to intersection U.S. Hwy 59 at Carthage, TX, then along U.S. Hwy 59 to intersection U.S. Hwy 77 at Victoria, TX, then along U.S. Hwy 77 to the U.S.-MX International Boundary line at Brownsville, TX, points in AL on and south of a line beginning at the AL-MS State line near Margerum, AL, then along U.S. Hwy 72 to intersection U.S. Hwy 431 at Huntsville, AL, then along U.S. Hwy 431 to intersection U.S. Hwy 278 at Gadsden, AL, then along U.S. Hwy 278 to the AL-GA State line, points in GA on and south of a line beginning at the GA-AL State line near Tecumseh, GA, then along U.S. Hwy 278 to intersection U.S. Hwy 78 at Atlanta, GA, then along U.S. Hwy 78 to the GA-SC State line at Augusta, GA, and points in SC on and south of U.S. Hwy 78. (Gateways eliminated: Cairo, IL, points in AR and Memphis, TN.) (6) *Contractors' equipment consisting of cooling towers other than oilfield equipment, structural steel and iron or steel pipe which because of size or weight require the use of special equipment, and accessories, materials, and supplies for cooling towers* (except commodities in bulk), (a) from points in MO, on, east and north of a line beginning at the MO-AR State line near Ridgedale, MO, then along U.S. Hwy 65 to intersection U.S. Hwy 160 near Springfield, MO, then along U.S. Hwy 160 to the MO-KS State line, to points in MS, FL, points in LA on the east of the MS River, points in AL on and south of a line beginning at the AL-MS State line near Iuka, MS, then along U.S. Hwy 72 to intersection U.S. Hwy 431 at Huntsville, AL, then along U.S. Hwy 431 to intersection U.S. Hwy 78 at Anniston, AL, then along U.S. Hwy 78 to the AL-GA State line, points in GA on and south of a line beginning at the GA-AL State line at Bremen, GA, then along U.S. Hwy 78 to intersection U.S. Hwy 278 at Atlanta, GA, then along U.S. Hwy 278 to the GA-SC State line at Augusta, GA,

and points in SC on and south of U.S. Hwy 78. (b) from points in MO on, west and south of a line beginning at the AR-MO State line near Ridgedale, MO, then along U.S. Hwy 65 to intersection U.S. Hwy 160 at Springfield, Mo, then along U.S. Hwy 160 to the MO-KS State line, to points in FL, SC, GA, AL, NC, VA, MS, ME, NH, VT, MA, RI, NJ, CT, DE, MD, DC, points in PA and NY on and east of U.S. Hwy 219, points in LA east of the MS River, points in TN on, south and east of a line beginning at the AR-TN State line near Memphis, TN, then along Interstate Hwy 40 to intersection U.S. Hwy 31W, then along U.S. Hwy 31W to the TN-KY State line, then along U.S. Hwy 31W to intersection KY Hwy 80, then along KY Hwy 80 to intersection Cumberland Parkway, then along Cumberland Parkway to intersection U.S. Hwy 27, then along U.S. Hwy 27 to intersection KY Hwy 80, then along KY Hwy 80 to the KY-VA State line near Breaks, VA, and points in WV on and east of a line beginning at the WV-KY State line at Williamson, WV, then along U.S. Hwy 119 to intersection U.S. Hwy 19 near Weston, WV, then along U.S. Hwy 19 to the WV-PA State line. (Gateway eliminated: Memphis, TN.)

No. MC 107515 (Sub-No. E347), filed May 29, 1974. Applicant: REFRIGERATED TRANSPORT CO., INC., P.O. Box 308, Forest Park, GA 33050. Applicant's representative: Alan E. Serby, Fifth Floor, Lenox Towers I, 3390 Peachtree Road, NE, Atlanta, GA 30326. *Frozen edible meats, meat products and meat by-products*, as described in Sections A and C of the Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except in bulk, in tank vehicles), from the plant site of Armour and Company at or near Worthington, MN to those points in VA on and east of a line beginning at the VA-NC State line, and extending along U.S. Hwy 29 to Danville, then along U.S. Hwy 360 to Reedville, VA and junction Chesapeake Bay, and those commercial zones. Restriction: Carrier is precluded from interlining traffic with other carriers for the purpose of providing service from and to points other than those authorized herein. (Gateway eliminated: Ayden, N.C.)

No. MC 114211 (Sub-No. E563) (CORRECTION), filed June 4, 1974, published in the FEDERAL REGISTER issue of February 6, 1975, and republished, as corrected, this issue. Applicant: WARREN TRANSPORT, INC., P.O. Box 420, Waterloo, IA 50704. Applicant's representative: Kenneth R. Nelson (same as above). *Grading, paving and finishing machinery, equipment, parts, accessories and attachments*, between points in that part

of SD on and north of a line beginning at the SD-MN State line, and extending along U.S. Hwy 14 to junction SD Hwy 34, then along SD Hwy 34 to junction U.S. Hwy 212, then along U.S. Hwy 212 to the SD-WY State line, on the one hand, and, on the other, points in that part of WI on and east of a line beginning at the WI-MI State line, and extending along U.S. Hwy 141 to junction U.S. Hwy 41, then along U.S. Hwy 41 to junction WI Hwy 44, then along WI Hwy 44 to junction WI Hwy 23, then along WI Hwy 23 to junction U.S. Hwy 12, then along U.S. Hwy 12 to junction U.S. Hwy 14, then along U.S. Hwy 14 to junction Interstate Hwy 90, then along Interstate Hwy 90 to the IL-WI State line, points in the Lower Peninsula of MI, and points in that part of the Upper Peninsula of MI on and east of a line beginning at Marquette, extending along U.S. Hwy 41 to junction MI Hwy 95, then along MI Hwy 95 to junction U.S. Hwy 141, then along U.S. Hwy 141 to the WI-MI State line. (Gateway eliminated: Canton, SD.)

NOTE.—The purpose of this republication is to correct the territorial description of MI.

No. MC 115703 (Sub-No. E14), filed April 7, 1974. Applicant: KREITZ MOTOR EXPRESS, INC., P.O. Box 375, Wyomissing, PA 19610. Applicant's representative: James A. Vitez, President (same as above). (1) *Machinery*, between those points in VA on and north of a line beginning at or near Norfolk, VA and extending along Interstate Hwy 64, then north along Interstate Hwy 64 to junction U.S. Hwy 29, then along U.S. Hwy 29 to the VA-MD State line, on the one hand, and on the other, those points in WV on and north of a line beginning at the OH-WV State line, and extending along U.S. Hwy 50, then along U.S. Hwy 50 to the WV-MD State line (York County, PA*). (2) *Machinery*, between points in DE on and south of a line beginning at the DE-MD State line, and extending along DE Hwy 8, to the DE River, on the one hand, and, on the other, points in CO, MA, NY, OH, PA, RI, WV, those points in NJ on and north of NJ Hwy 70, and those points in MD on and west of a line beginning at the MD-PA State line, and extending along U.S. Hwy 15, then along U.S. Hwy 15 to the MD-VA State line. (York County, PA or Berks County, PA or Luzerne County, PA*). (3) *Articles*, the transportation of which because of size or weight requires the use of special handling or equipment, between points in PA on and east of a line beginning at the PA-NY State line, and extending along U.S. Hwy 220 to junction PA Hwy 147, then along PA Hwy 147 to junction PA Hwy 225, then along PA Hwy 225 to junction PA Hwy 441, then along PA

Hwy 441 to junction PA Hwy 272, then along PA Hwy 272 to junction U.S. Hwy 222, then along U.S. Hwy 222 to the PA-MD State line, on the one hand, and, on the other, points in DC, OH, NC, VA, WV and those points in CT on and north and west of a line beginning at the CT-NY State line, and extending along CT Hwy 4 to junction U.S. Hwy 7, then north along U.S. Hwy 7 to the CT-MA State line, points in MD on and west of a line beginning at the MD-PA State line, and extending along U.S. Hwy 15, then along U.S. Hwy 15 to the MD-VA State line; points in MA on and west of a line beginning at the MA-CT State line, and extending along U.S. Hwy 7, then along U.S. Hwy 7 to the MA-VT State line; points in NJ on and north and west of a line beginning at the NJ-PA State line, and extending along Interstate Hwy 80 to junction NJ Hwy 23, then along NJ Hwy 23 to junction NJ Hwy 517, then along NJ Hwy 517 to junction NJ Hwy 15, then along NJ Hwy 15 to the NJ-PA State line; points in NY on and north of a line beginning at Lake Erie, and extending along NY Hwy 17 to junction U.S. Hwy 15, then along U.S. Hwy 15 to junction NY Hwy 17, then along NY Hwy 17 to junction NY Hwy 10, then along NY Hwy 10 to junction NY Hwy 23, then along NY Hwy 23 to the NY-MA State line (Wyomissing, PA and Berks County, PA*). (4) *Articles*, the transportation of which because of size or weight requires the use of special handling or equipment, between those points in PA on and east of a line beginning at the PA-NY State line, and extending along U.S. Hwy 220 to junction PA Hwy 350, then north along PA Hwy 350 to junction PA Hwy 53, then north along PA Hwy 53, to junction PA Hwy 144, then along PA Hwy 144 to junction PA Hwy 44, then along PA Hwy 44 to the NY-PA State line, and also those points in PA on and west of a line beginning at the PA-NY State line, and extending along U.S. Hwy 220 to junction PA Hwy 147, then along PA Hwy 147 to junction PA Hwy 225, then along PA Hwy 225 to junction PA Hwy 441, then along PA Hwy 441 to junction PA Hwy 272, then along PA Hwy 272 to junction U.S. Hwy 222, then along U.S. Hwy 222 to the PA-MD State line, on the one hand, and, on the other, points in CT, DC, MA, NJ and NC, and those points in DE on and south of DE Hwy 9; those points in MD on and south of a line beginning at the Nanticoke River and extending along MD Hwy 349 to junction MD Hwy 346, then along MD Hwy 346 to junction MD Hwy 90, then along MD Hwy 90 to the Atlantic Ocean; those points in NY on and east of a line beginning at the U.S.-CD International Boundary line, and extending along Interstate Hwy 81, then along Interstate Hwy 81 to

the NY-PA State line; those points in OH on and west of a line beginning at the OH-WV State line, and extending north along Interstate Hwy 77 to junction OH Hwy 8, then along OH Hwy 8 to Lake Erie; those points in VA on and east of a line beginning at the VA-NC State line, and extending along U.S. Hwy 29 to junction U.S. Hwy 60, then along U.S. Hwy 60 to the Atlantic Ocean; those points in WV on and west of a line beginning at the WV-OH State line, and extending along Interstate Hwy 77, then along Interstate Hwy 77 to the WV-VA State line (Wyomissing, PA and Berks County, PA*). (5) *Articles*, the transportation of which because of size or weight requires the use of special handling or equipment, between points in PA on and west of a line beginning at the PA-MD State line, and extending along U.S. Hwy 220 to junction PA Hwy 350, then along PA Hwy 350 to junction PA Hwy 53, then along PA Hwy 53 to junction PA Hwy 144, then along PA Hwy 144 to junction PA Hwy 44, then along PA Hwy 44 to the PA-NY State line, on the one hand, and, on the other, points in CT, DE, MA, NJ and those points in MD on and east of a line beginning at the MD-DC State line, and extending along U.S. Hwy 50 to junction U.S. Hwy 13, then along U.S. Hwy 13 to junction MD Hwy 413, then along MD Hwy 413 to the Chesapeake Bay; those points in NY on and east of a line beginning at the NY-PA State line, and extending along NY Hwy 8 to junction Interstate Hwy 90, then along Interstate Hwy 90 to junction U.S. Hwy 9, then north along U.S. Hwy 9 to the U.S.-CD International Boundary line (Wyomissing, PA and Berks County, PA*). (Gateways eliminated: indicated by asterisks above.)

No. MC 115841 (Sub-No. E387), filed March 27, 1977. Applicant: COLONIAL REFRIGERATED INCORPORATED, P.O. Box 168, Concord, TN 37720. Applicant's representative: Chester G. Groebel (same as above). *Cheese*, (A) from Russell Springs, Harrodsburg, Lexington and Louisville, KY, to points in CT, MA, RI, NJ, and points in NY bounded by a line beginning at the NJ-NY State line, and extending along Interstate Hwy 84 to junction Interstate Hwy 87, then north along Interstate Hwy 87 to junction NY Hwy 7, then west along NY Hwy 7 to the NY-VT State line, including points in NY on the above specified routes; and points in PA on and east of Interstate Hwy 83 from the MD-PA State line to junction U.S. Hwy 30, then east along U.S. Hwy 30 to junction U.S. Hwy 202, then north along U.S. Hwy 202 to the PA-NJ State line, (B) from Tompkinsville, KY to points in CT, MA, RI, NY, PA and NJ, (C) from Cynthia, KY, to points in MA, CT, RI, Philadelphia,

PA; Albany, NY, and points in NY east of the Hudson River and south of NY City; NJ Hwy 7, Paterson, NJ, and points in and south of Bergen, Hudson, Essex, Union, Middlesex and Mercer Counties, NJ. (Gateways eliminated: (A) Bristol, VA-Bristol, TN, (B) Moss, TN, (C) Bristol, VA-Bristol, TN.)

No. MC 115841 (Sub-No. E388), filed March 27, 1977. Applicant: COLONIAL REFRIGERATED INCORPORATED, P.O. Box 168, Concord, TN 37720. Applicant's representative: Chester G. Groebel (same as above). *Cheese*, from Harrodsburg, KY to points in MS bounded by a line beginning at the MS River on the MS-TN State line, and extending along said river in southerly direction to Greenville, MS, then east along U.S. Hwy 82 to junction U.S. Hwy 45 at Columbus, MS, then north along U.S. Hwy 45 to junction MS Hwy 8, then west along MS Hwy 8 to Houston, MS, then north along MS Hwy 15 to New Albany, MS, then north along U.S. Hwy 78 to the TN-MS State line, then west along the MS-TN State line to the point of beginning, restricted to the transportation of traffic originating at the above named origin. (Gateway eliminated: Memphis, TN.)

No. MC 115841 (Sub-No. E389), filed March 27, 1977. Applicant: COLONIAL REFRIGERATED INCORPORATED, P.O. Box 168, Concord, TN 37720. Applicant's representative: Chester G. Groebel (same as above). *Canned and packaged food (non-frozen)*, from Bowling Green, KY, to points in CA, OR and WA, restricted to the transportation of traffic originating at the named origin. The purpose of this filing is to eliminate the gateway of Birmingham, AL.

No. MC 115841 (Sub-No. E390), filed March 27, 1977. Applicant: COLONIAL REFRIGERATED INCORPORATED, P.O. Box 168, Concord, TN 37720. Applicant's representative: Chester G. Groebel (same as above). *Meat, meat products, meat byproducts and dairy products*, as defined by the Commission, from Bowling Green, KY, to points in MS, RI, and NJ, restricted to the transportation of traffic originating at the named origin. The purpose of this filing is to eliminate the gateway of Bristol, TN.

No. MC 117574 (Sub-No. E150) (partial correction), filed January 20, 1978, published in the FEDERAL REGISTER issue of May 12, 1978, and partially corrected, this issue. Applicant: DAILY EXPRESS, INC., P.O. Box 39, Carlisle, PA 17013. Applicant's representative: E. S. Moore, Jr. (same as above). (1) *Commodities*, the transportation of which because of size or weight, require the use of special equipment, and related materials, sup-

plies, and parts of such commodities when their transportation is incidental thereto, 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 the transportation of self-propelled articles transported on trailers, * * * (2) between points in Cumberland and Monro County, KY, on the one hand, and, on the other, points in PA and points in that part of IN on and north of a line beginning at the IN-OH State line then along IN Hwy 39 to IN Hwy 25, to IN Hwy 28, to U.S. Hwy 41 to Interstate Hwy 74, to the IN-IL State line; and points in that part of WV on and east of a line beginning at the VA-WV State line, and extending along U.S. Hwy 60 to junction U.S. Hwy 35, then along U.S. Hwy 35 to the WV-OH State line * * * (Gateway eliminated: Columbus, OH and points within 80 miles thereof.)

NOTE.—The purpose of this partial correction is to state the correct territorial description. The remainder of this letter remains as previously published.

No. MC 118959 (Sub-No. E40), filed January 15, 1978. Applicant: JERRY LIPPS, INC., 130 S. Frederick, Cape Girardeau, MO 63701. Applicant's representative: Jerry Lipps (same as above). *Paper and paper products* from the facilities of Central States Diversified, Inc., in Putnam County, FL, to points in NJ and DE. The purpose of this filing is to eliminate the gateway of Franklin, VA.

No. MC 118959 (Sub-No. E41), filed January 15, 1978. Applicant: JERRY LIPPS, INC., 130 S. Frederick, Cape Girardeau, MO 63701. Applicant's representative: Jerry Lipps (same as above). (1) *Paper and paper products* from the facilities of Central States Diversified, Inc., in Putnam County, FL, to points in UT, WA, OR and CO. (2) *Materials* used in the processing or manufacture of paper and paper products from points in OR and WA to the facilities of Central States Diversified, Inc., in Putnam County, FL. (Gateway eliminated: Taylorville, IL.)

No. MC 118959 (Sub-No. E42), filed January 15, 1978. Applicant: JERRY LIPPS, INC., 130 S. Frederick, Cape Girardeau, MO 63701. Applicant's representative: Jerry Lipps (same as above). (1) *Paper and paper products* (except commodities in bulk), from the facilities of Central States Diversified, Inc., at Putnam County, FL, to points in CA and those points in OK on and north of a line beginning at the AR-OK State line near Westville, OK, extending along U.S. Hwy 62 to junction U.S. Hwy 75, then along U.S. Hwy 75 to junction I Hwy 40, then along I Hwy 40 to Oklahoma City, then along U.S. Hwy 277 to junction U.S. Hwy 62, then along U.S. Hwy 62 to the OK-TX

State line. (2) *Materials* used in the processing or manufacture of paper products (except commodities in bulk, and those which because of size or weight require special equipment and handling), from the destination points in (1) above to the facilities of Central States Diversified, Inc., at Putnam County, FL. (Gateway eliminated: Neelys Landing, MO.)

No. MC 118959 (Sub-No. E43), filed January 15, 1978. Applicant: JERRY LIPPS, INC., 130 S. Frederick, Cape Girardeau, MO 63701. Applicant's representative: Jerry Lipps (same as above). (1) *Paper and paper products* (except commodities in bulk, and commodities which because of size or weight require the use of special equipment), from the facilities of Central States Diversified, Inc., in Putnam County, FL, to those points in MD on and north of a line beginning at the MD-PA State line extending along I Hwy 81 to junction U.S. Hwy 40, then along U.S. Hwy 40 to the MD-DE State line. (2) *Materials* used in the processing or manufacturing of paper products (except commodities in bulk and those which because of size or weight require special equipment and handling), from the destination points named in (1) above to the facilities of Central States Diversified, Inc., in Putnam County, FL. (Gateway eliminated: Reading, PA.)

No. MC 118959 (Sub-No. E44), filed January 15, 1978. Applicant: JERRY LIPPS, INC., 130 S. Frederick, Cape Girardeau, MO 63701. Applicant's representative: Jerry Lipps (same as above). (1) *Paper and paper products*, from the facilities of Central States Diversified, Inc., in Putnam County, FL, to points in NE. (2) *Materials* used in the processing or manufacture of paper and paper products (except commodities in bulk, and those which because of size or weight require special equipment and handling) from points in NE to the facilities of Central States Diversified, Inc., in Putnam County, FL. (Gateway eliminated: Normal, IL.)

By the Commission.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-17140 Filed 6-20-78; 8:45 am]

[7035-01]

[Notice No. 97]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JUNE 14, 1978.

The following are notices of filing of applications for temporary authority under Section 210a(a) of the Interstate Commerce Act provided for under the provisions of 49 CFR 1131.3.

These rules provide that an original and six (6) copies of protests to an application may be filed with the field official named in the FEDERAL REGISTER publication no later than the 15th calendar day after the date the notice of the filing of the application is published in the FEDERAL REGISTER. One copy of the protest must be served on the applicant, or its authorized representative, if any, and the protestant must certify that such service has been made. The protest must identify the operating authority upon which it is predicated, specifying the "MC" docket and "Sub" number and quoting the particular portion of authority upon which it relies. Also, the protestant shall specify the service it can and will provide and the amount and type of equipment it will make available for use in connection with the service contemplated by the TA application. The weight accorded a protest shall be governed by the completeness and pertinence of the protestant's information.

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.

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 the ICC Field Office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 23618 (Sub-No. 28TA), filed May 23, 1978. Applicant: McALISTER TRUCKING COMPANY, d.b.a., P.O. Box 2377, Abilene, TX 79604. Applicant's representative: E. Larry Wells, Winkle and Wells, P.O. Box 45538, Dallas, TX 75245. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from the facilities of Earle M. Jorgensen Co., at or near Chicago, IL, to Tulsa, OK and Dallas, TX, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Earle M. Jorgensen Company, P.O. Box 1900, 1900 Mitchell Blvd., Roselle, IL 60172. Send protests to: Robert J. Kirspel, District Supervisor, Room 9A27, Federal Building, 819 Taylor Street, Ft. Worth, TX 76102.

No. MC 26377 (Sub-No. 22TA) filed May 23, 1978. Applicant: LEONARDO TRUCK LINES, INC., 511 South 1st Street, Selah, WA 98942. Applicant's representative: Lawrence V. Smart, Jr., 419 North West, 23rd Avenue, Portland OR 97210. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic articles and ac-*

cessories and materials and supplies used in the manufacture of plastic articles, between the facilities of A. & B. Plastic Co., at Selah, WA, on the one hand, and points in OR, CA, AZ, UT, CO, TX, IL, and NJ, on the other hand, for 180 days. Supporting shipper(s): A. & B. Plastic Co., 111 Railroad Street, Selah, WA 97942. Send protests to: R. V. Dubay, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 114 Pioneer Courthouse, Portland, OR 97204.

No. MC 29745 (Sub-No. 5TA), filed May 11, 1978. Applicant: BODGE LINES, INC., 501 South West Street, P.O. Box 546, Indianapolis, IN 46206. Applicant's representative: Frank A. Price, 501 South West Street, P.O. Box 546, Indianapolis, IN 46206. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except articles of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), serving the facilities of Penny Products, Inc., at or near Trafalgar, IN, as an off-route point in connection with carrier's regular route authority, for 180 days. Supporting shipper(s): Penny Products, Inc., Red Gold Drive, Trafalgar, IN 46181. Send protests to: Beverly J. Williams, Transportation Assistant, Interstate Commerce Commission, Federal Building, and U.S. Courthouse, 46 East Ohio Street, Room 429, Indianapolis, IN 46204.

No. MC 30844 (Sub-No. 609TA) filed May 15, 1978. Applicant: KORBLIN REFRIGERATED XPRESS, INC., 2125 Commercial Street, P.O. Box 5000, Waterloo, IA 50702. Applicant's representative: John P. Rhodes (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic bottles*, from the facilities of Anchor Hocking in Cincinnati, OH, destined to the facilities of Proctor & Gamble in Iowa City, IA, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Anchor Hocking, 109 North Broad Street, Lancaster, OH 43130. Send protests to: Herbert W. Allen, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 518 Federal Building, Des Moines, IA 50309.

No. MC 42011 (Sub-No. 38TA), filed May 5, 1978. Applicant: D. Q. WISE & CO., INC., P.O. Box 15125, 13309 East Apache Street, Tulsa, OK 74115. Applicant's representative: Thomas L. Cook, 136 Wynnewood Professional Building, Dallas, TX 75224. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular

routes, transporting: (1) *Pallets and containers* (except in bulk); and (2) *material* (except in bulk), used in the manufacture of the articles named in (1) above, between Tulsa, OK, on the one hand, and, on the other, points in LA and TX, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Plastmet Corporation, 2201 North 170 East Avenue, Tulsa, OK 74138. Send protests to: Connie Stanley, Transportation Assistant, Room 240 Old Post Office and Courthouse Building, 215 NW., 3rd, Oklahoma City, OK 73102.

No. MC 52861 (Sub-No. 44TA), filed May 15, 1978. Applicant: WILLS TRUCKING, INC., 5755 Granger Road, Cleveland, OH 44131. Applicant's representative: Paul F. Beery, Beery & Spurlock Co., Inc., 275 East State Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer*, dry, in bulk, from the plantsite of Agrico Chemical Co., located at or near Melbourne, KY, to points in IL, IN, KY, MI, OH, VA, and WV, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Agrico Chemical Co., Box 3166, Tulsa, OK 74101. Send protests to: James Johnson, District Supervisor, Interstate Commerce Commission, 731 Federal Building, 1240 East Ninth Street, Cleveland, OH 44199.

No. MC 61231 (Sub-No. 124TA), filed May 15, 1978. Applicant: EASTER ENTERPRISES, INC., d.b.a. ACE LINES, INC., P.O. Box 1351, Des Moines, IA 50305. Applicant's representative: William L. Fairbank, 1980 Financial Center, Des Moines, IA 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Gypsum wall board*, from Albuquerque, NM, to the facilities of Knecht Industries, Inc., at Rapid City, SD and Gillette, WY, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Knecht Industries, Inc., 301 Mt. Rushmore Road, Rapid City, SD 57701. Send protests to: Herbert W. Allen, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 518 Federal Building, Des Moines, IA 50309.

No. MC 61231 (Sub-No. 125TA), filed May 15, 1978. Applicant: EASTER ENTERPRISES, INC., d.b.a. ACE LINES, INC., P.O. Box 1351, Des Moines, IA 50305. Applicant's representative: William L. Fairbank, 1980 Financial Center, Des Moines, IA 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber and lumber products*, from points in MT to

the facilities of Knecht Industries, Inc., at Rapid City, SD, and Gillette, WY, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operation authority. Supporting shipper(s): Knecht Industries, Inc., 301 Mt. Rushmore Road, Rapid City, SD 57701. Send protests to: Herbert W. Allen, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 518 Federal Building, Des Moines, IA 50309.

No. MC 63417 (Sub-No. 155TA), filed May 24, 1978. Applicant: BLUE RIDGE TRANSFER COMPANY, INCORPORATED, P.O. Box 13447, Roanoke, VA 24034. Applicant's representative: William E. Bain, P.O. Box 13447, Roanoke, VA 24034. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plumbers' goods, vanities and vanity cabinets*, (1) from Ford City, PA, and Salem, OH, to points in MS, and (2) from Tupelo, MS, to points in AR, LA, OK, and TX, for 180 days. Supporting shipper(s): Eljer Plumbingware Division of Wallace Murray Corp., Pittsburgh, PA 15222. Send protests to: Interstate Commerce Commission, Bureau of Operations, P.O. Box 210, Roanoke, VA 24011.

No. MC 65941 (Sub-No. 53TA), filed May 22, 1978. Applicant: TOWER LINES, INC., P.O. Box 6010, 3rd and Warwood Avenue, Wheeling, WV 26003. Applicant's representative: George V. Thieroff, 3rd and Warwood Avenue, Wheeling, WV 26003. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Zinc oxide* (in bags), from the facilities of St. Joe Minerals Corporation, Josephstown (Potter Township, Beaver County), PA to Union City, TN, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operation authority. Supporting shipper(s): St. Joe Minerals Corp., Two Oliver Plaza, Pittsburgh, PA 15222. Send protests to: J. A. Niggemyer, District Supervisor, Interstate Commerce Commission, 416 Old P.O. Building, Wheeling, WV 26003.

No. MC 87231 (Sub-No. 25TA), filed May 16, 1978. Applicant: BAY & BAY TRANSFER CO., INC., 7200 West 128th Street, Savage, MN 55378. Applicant's representative: Pamela N. Merkle, 300 Roanoke Building, Minneapolis, MN 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Silica sand*, in bulk, from Bay City, WI, to Ventura, IA, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): General Coatings, Inc., 2805 Dodd Road, St. Paul, MN. Send protest to: Delores A. Poe, Transportation Assistant, Interstate Commerce

Commission, Bureau of Operations, 414 Federal Building and U.S. Court House, 110 South 4th Street, Minneapolis, MN 55401.

No. MC 103993 (Sub-No. 935TA), filed May 15, 1978. Applicant: MORGAN DRIVE-AWAY, INC., 28651 U.S. 20 West, Elkhart, IN 46515. Applicant's representative: James B. Buda, 28651 U.S. 20 West, Elkhart, IN 46515. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trucks*, in secondary movements, in driveway service, from the plantsite of Holiday Rambler Corporation in Elkhart County, IN, to points in the United States, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Holiday Rambler Corporation, 65528 State Road 19, Wakarusa, IN 46573. Send protests to: J. H. Gray, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 343 West Wayne Street, Suite 113, Fort Wayne, IN 46802.

No. MC 105501 (Sub-No. 28TA), filed May 15, 1978. Applicant: TERMINAL WAREHOUSE COMPANY, INC., 1851 Raddison Road, N.E., Blaine, MN 55434. Applicant's representative: Steven K. Kuhlmann, P.O. Box 82028, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from Norfolk, NE, and its commercial zone to points in IL, IA, MN, MT, ND, SD, WI, and WY, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Norfolk Iron and Metal Company, 300 Braasch Avenue, Norfolk, NE 68701. Send protests to: Delores A. Poe, Transportation Assistant, Interstate Commerce Commission, Bureau of Operations, 414 Federal Building and U.S. Court House, 110 South 4th Street, Minneapolis, MN 55401.

No. MC 106674 (Sub-No. 321TA), filed May 15, 1978. Applicant: SCHILLI MOTOR LINES, INC., U.S. Hwy 24 W., P.O. Box 123, Remington, IN 47877. Applicant's representative: Jerry L. Johnson, P.O. Box 123, Remington, IN 47977. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Nitrogen fertilizer solutions*, from Burns Harbor, IN, to points in MI, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Farm Bureau Services, Inc., 7373 West Saginaw Hwy, Lansing, MI 48914. Send protests to: J. H. Gray District Supervisor, Bureau of Operations, Interstate Commerce Commission, 343 West Wayne Street, Suite 113, Fort Wayne, IN 46802.

No. MC 106674 (Sub-No. 322TA), filed May 25, 1978. Applicant: SCHILLI MOTOR LINES, INC., P.O. Box 123, U.S. Hwy 24 West, Remington, IN 47977. Applicant's representative: Jerry L. Johnson, P.O. Box 123, Remington, IN 47977. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Building materials, roofing and siding and materials* used in the installation and application of such commodities, (except commodities in bulk), from Franklin, (Warren County), Ohio, to St. Louis, and St. Louis County, MO, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Bird & Son, Inc., Washington Street, East Walpole, MA 02032. Send protests to: J. H. Gray, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 343 West Wayne Street, Suite 113, Fort Wayne, IN 46802.

No. MC 107064 (Sub-No. 124TA), filed May 1, 1978. Applicant: STEERE TANK LINES, INC., P.O. Box 2998, 2727 Turtle Creek Boulevard, Dallas, TX 75221. Applicant's representative: Hugh T. Matthews, 2340 Fidelity Union Tower, Dallas, TX 75201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Chemicals*, (in bulk), from Houston, TX, to points in LA, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Drew Chemical Corp., 6121 Alameda Genoa, Houston, TX 77048. Send protests to: Opal M. Jones Transportation Assistant, Interstate Commerce Commission, 1100 Commerce Street, Room 13C12, Dallas, TX 75242.

No. MC 110525 (Sub-No. 1241TA), filed May 15, 1978. Applicant: CHEMICAL LEAMAN TANK LINES, INC., 520 E. Lancaster Avenue, P.O. Box 200, Downingtown, PA 19335. Applicant's representative: Thomas J. O'Brien (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid fertilizer*, (in bulk, in tank vehicles), from Albany, NY, to points in VT and MA, for 180 days. Supporting shipper(s): Allied Chemical Corp., P.O. Box 2120, Houston, TX 77001. Send protests to: T. M. Esposito Transportation Assistant, 600 Arch Street, Room 3238, Philadelphia, PA 19106.

No. MC 111310 (Sub-No. 31TA), filed May 15, 1978. Applicant: BEER TRANSIT, INC., P.O. Box 352, Black River Falls, WI 54615. Applicant's representative: Wayne W. Wilson, 150 E. Gilman Street, Madison, WI 53703. Authority sought to operate as a *common carrier*, by motor vehicle,

over irregular routes, transporting: *Malt beverages*, from Peoria, IL, to points in WI, (except those points located in Milwaukee, Racine, and Kenosha counties), and MN, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): There are approximately (12) statements of support attached to the application which may be examined at the Interstate Commerce Commission in Washington, DC, or copies thereof which may be examined at the field office named below. Send protests to: Ronald A. Morken District Supervisor, Interstate Commerce Commission, 216 E. Washington Avenue, Madison, WI 53703.

No. MC 114194 (Sub-No. 200TA), filed May 8, 1978. Applicant: KREIDER TRUCK SERVICE, INC., 8003 Collinsville Road, East St. Louis, IL 62201. Applicant's representative: A. Bruce Fraser (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Soy flour*, (in bulk, in tank vehicles), from the facilities of A. E. Staley Manufacturing Co., at Champaign, IL, to Lafayette and Terre Haute, IN, and Kalamazoo, MI, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): R. L. Lighthall Assistant to Director Corp., Transportation, A. E. Staley Manufacturing Co., 2200 East Eldorado Street, Decatur, IL 62525. Send protests to: Charles D. Little District Supervisor, Interstate Commerce Commission, 414 Leland Office Building, 527 East Capitol Avenue, Springfield, IL 62701.

No. MC 114194 (Sub-No. 201TA), filed May 17, 1978. Applicant: KREIDER TRUCK SERVICE, INC., 8003 Collinsville Road, East St. Louis, IL 62201. Applicant's representative: Bruce Fraser (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bulk chocolate*, from Robinson, IL, to Toledo and Columbus, OH; St. Paul, MN; Green Bay and Madison, WI; Sylacauga, AL; and Tampa, FL, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Robert E. Terrell, Manager of Distribution, L. S. Heath & Sons, Inc., 206 S. Jackson Street, Robinson, IL 62454. Send protests to: Charles D. Little, District Supervisor, Interstate Commerce Commission, 414 Leland Office Building, 527 East Capitol Avenue, Springfield, IL 62701.

No. MC 114457 (Sub-No. 394TA), filed May 23, 1978. Applicant: DART TRANSIT COMPANY, 2102 University Avenue, St. Paul, MN 55114. Applicant's representative: James H. Wills,

2102 University Avenue, St. Paul, MN 55114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry dog food*, from Tupelo, MS, and Red Bay AL, to points in PA, WV and OH, for 180 days. Supporting shipper(s): Sunshine Feed Mills, Inc. P.O. Drawer S, Red Bay, AL 35582. Send protests to: Delores A. Poe, Transportation Assistant, Interstate Commerce Commission, Bureau of Operations, 414 Federal Building and U.S. Court House, 110 South 4th Street, Minneapolis, MN 55401.

No. MC 114486 (Sub-No. 35TA), filed May 11, 1978. Applicant: AUTREY F. JAMES, d.b.a., A. F. JAMES TRUCK LINE, 107 Lelia Street, Texarkana, TX. Applicant's representative: Austin L. Hatchell, 1102 Perry Brooks Bldg., Austin, TX 78701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Clay, clay products and fittings therefor*, from Pittsburg, KS, to points in AL, FL, GA, LA, MS, and TN, under a continuing contract, or contracts, with W. S. Dickey Clay Mfg., Co., for 180 days. Supporting shipper(s): W. S. Dickey Clay Mfg. Co., P.O. Box 6, Pittsburg, KS 66762. Send protests to: Opal M. Jones, Transportation Assistant, Interstate Commerce Commission, 1100 Commerce Street, Room 13C12, Dallas, TX 75242.

No. MC 116325 (Sub-No. 4TA), filed May 15, 1978. Applicant: CALVIN C. HARTSFIELD, d.b.a. SOUTHSIDE AUTO PARTS & SALVAGE AND AUTO SALES, Highway 25 South, Route 1, Box 161, Malden, MO 63863. Applicant's representative: Joseph E. Rebman, 314 N. Broadway, Suite 1330, St. Louis, MO 63102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wrecked, damaged and used automobiles in truckaway service*, between points in Madison, St. Clair, Cook and Will Counties, IL; Jackson, Clay, Platte and St. Louis Counties, MO; Johnson and Leavenworth Counties, KS; Cass, Sarpy and Douglas Counties, NE; Mills and Pottawattami Counties, IA; Wayne and Eaton Counties, MI, and Tarrant, Dallas and Harris Counties, TX, on the one hand, and on the other, points in Anoka County, MN, for 180 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Central Auto Parts of Minneapolis, Inc., 1201-73d 1/2 Avenue, NE, Minneapolis, MN 55432. Send protests to: P. E. Binder District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 1465, 210 N. 12th Street, St. Louis, MO 63101.

No. MC 119741 (Sub-No. 99TA), filed May 19, 1978. Applicant: GREEN FIELD TRANSPORT COMPANY,

INC., P.O. Box 1235, 1515 3d Avenue, NW., Fort Dodge, IA 50501. Applicant's representative: D. L. Robson (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except in bulk, in tank vehicles), from the facilities of Swift & Company at Chicago, IL, to points in KS and MO, for 90 days. Applicant has also filed an underlying ETA seeking up to 90 days of operating authority. Supporting shipper(s): Swift & Company, 115 W. Jackson Blvd., Chicago, IL 60604. Send protests to: Herbert W. Allen, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 518 Federal Building, Des Moines, IA 50309.

PASSENGER CARRIER

No. MC 108531 (Sub-No. 21TA), filed May 22, 1978. Applicant: BLUE BIRD COACH LINES, INC., 502-504 North Barry Street, Olean, NY 14760. Applicant's representative: Ronald W. Malin, Bankers Trust Bldg., Jamestown, NY 14701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage* in the same vehicle in charter and special operations in executive coach service, (1) Between points in OH, PA, and NY, and (2) beginning and ending at the points named in (1) and extending to points in the United States, for 180 days. Supporting shipper(s): There are approximately (36) statements of support attached to the application which may be examined at the Interstate Commerce Commission in Washington, DC, or copies thereof which may be examined at the field office named below. Send protests to: Interstate Commerce Commission, Bureau of Operations, 910 Federal Building, 111 West Huron Street, Buffalo, NY 14202.

By the Commission.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-17141 Filed 6-20-78; 8:45 am]

[7035-01]

[Finance Docket No. 287641]

CHICAGO AND NORTH WESTERN
TRANSPORTATION CO.

Trackage Rights Over Chicago, Milwaukee, St. Paul and Pacific Railroad Company Between Faribault and Northfield, in Rice County, MN

Chicago and North Western Transportation Company (North Western) represented by Ms. Anne E. Valle, Attorney, Chicago and North Western Transportation Company, 400 West Madison Street, Chicago, IL 60606, has filed an application with the Inter-

state Commerce Commission for authorization to acquire trackage rights to operate its engines and trains over the tracks of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company (Milwaukee Road), between Faribault and Northfield (Rice County), MN.

The tracks of the Milwaukee Road over which applicant proposes to operate extend from a point of connection P.S. 8+97± at Faribault, MN, to a point of connection at Milwaukee Road P.S. 11+39 at Northfield, MN, for a distance of 13.42 miles.

In the opinion of the applicant, the granting of the authority sought will not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. In accordance with the Commission's regulations (49 CFR 1108.8) in Ex Parte No. 55 (Sub-No. 4), *Implementation—National Environmental Policy Act, 1969*, 352 I.C.C. 451 (1976), any protests may include a statement indicating the presence or absence of any effect of the requested Commission action on the quality of the human environment. If any such effect is alleged to be present, the statement shall indicate with specific data the exact nature and degree of the anticipated impact. See *Implementation—National Environmental Policy Act, 1969*, *supra*, at p. 487.

Interested persons may participate formally in a proceeding by submitting written comments regarding the application. Such submissions shall indicate the proceeding designation Finance Docket No. 28764, and the original and two copies shall be filed with the Secretary, Interstate Commerce Commission, Washington, D.C. 20423, not later than August 7, 1978. Such written comments shall include the following: the person's position, e.g., party protestant or party in support, regarding the proposed transaction; specific reasons why approval would or would not be in the public interest; and a request for oral hearing if one is desired. Additionally, interested persons who do not intend to participate formally in a proceeding but who desire to comment on it, may file such statements and information as they may desire, subject to the filing and service requirements specified in this notice. Persons submitting written comments to the Commission shall, at the same time, serve copies of such written comments upon the applicant, the Secretary of Transportation and the Attorney General.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-16856 Filed 6-20-78; 8:45 am]

[7035-01]

[Section 5a Application No. 61; Amdt. No. 4]

JAMES C. HARKINS ET AL.

National Motor Freight Classification— Agreement

The Commission is in receipt of an application in the above proceeding for approval of amendments to the approved agreement.

Filed May 30, 1978 by: James C. Harkins, Secretary, National Motor Freight Classification—Agreement, 1616 P Street, N.W., Washington, D.C. 20036, and William W. Pugh, Counsel for the National Classification Committee, National Motor Freight Classification—Agreement, 1616 P Street, N.W., Washington, D.C. 20036.

The amendments involve: Changes to comply with Ex Parte No. 297, 349 I.C.C. 811 and 351 I.C.C. 437.

The complete application may be inspected at the Office of the Commission, in Washington, D.C.

Any interested person desiring to protest and participate in this proceeding shall notify the Commission in writing on or before July 21, 1978. As provided by the general rules of practice of the Commission, persons other than applicants should fully disclose their interest, and the position they intend to take with respect to the application. Otherwise, the Commission, in its discretion, may proceed to investigate and determine the matters involved without public hearing.

H. G. HOMME, Jr.,
Acting Secretary.

[FR Doc. 78-17139 Filed 6-20-78; 8:45 am]

[8010-01]

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. 14587; 70-6174]

Arkansas Power & Light Co.

PROPOSED ISSUANCE AND SALE OF FIRST MORTGAGE BONDS AT COMPETITIVE BIDDING

JUNE 12, 1978.

Notice is hereby given that Arkansas Power & Light Company ("Arkansas"), First National Building, Little Rock, Arkansas 72203, an electric utility subsidiary of Middle South Utilities, Inc., a registered holding company, has filed an application with this Commission pursuant to Section 6(b) of the Public Utility Holding Company Act of 1935 ("Act") and Rule 50 promulgated thereunder regarding the following proposed transaction. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transaction.

Arkansas proposes to issue and sell, subject to the competitive bidding re-

quirements of Rule 50 promulgated under the Act, \$75,000,000 principal amount of its First Mortgage Bonds of a series having a term of not less than five nor more than thirty years. Arkansas will determine, and give notice of, the maturity date of the bonds not later than 11:00 a.m. on the third business day preceding the day fixed for the presentation of bids. The interest rate on the bonds (which will be a multiple of 1/8 of 1%) and the price, exclusive of accrued interest, to be paid to Arkansas (which will be not less than 100% nor more than 102% of the principal amount thereof) will be determined by the competitive bidding. The bonds will be issued under Arkansas' Mortgage and Deed of Trust dated as of October 1, 1944, to Morgan Guaranty Trust Company of New York, Trustee, as heretofore supplemented and as to be further supplemented by a Thirtieth Supplemental Indenture to be dated as of July 1, 1978, which will include a prohibition for a period of not more than five years against refunding the bonds with the proceeds of funds borrowed at a lower effective interest cost.

Prior to the effective date of Arkansas' Twenty-eighth Supplemental Indenture dated as of July 1, 1975, Arkansas' Mortgage and Deed of Trust as amended provided that in the computation of the "two-times interest" coverage test for the issuance of additional bonds, the amount of the company's nonoperating income (as defined) that may be taken into account would not exceed 15% of the sum of net operating income plus nonoperating income. This provision differs from the analogous provision of the Commission's Statement of Policy with respect to First Mortgage Bonds ("Policy Statement") adopted February 16, 1956 (HCAR No. 13105), which restricts the inclusion of nonoperating income to an amount not exceeding 10% of operating income. In recent years, the Indenture provision has resulted in higher computed interest coverage than would have resulted from the provision prescribed by the Policy Statement.

As a first step toward conforming the Indenture provision with that of the Policy Statement, Arkansas' Twenty-eighth Supplemental Indenture dated as of July 1, 1975, amended the Indenture provision so as to provide that, effective with the first series of bonds to be issued after December 31, 1975, the amount of includable nonoperating income would not exceed 14% of the sum of net operating income plus nonoperating income. Arkansas' Twenty-ninth Supplemental Indenture reduced the figure to 13%. It is proposed in the instant filing that Arkansas' Thirtieth Supplemental Indenture to be dated as of July 1, 1978, provide that, effective with the first

series of bonds to be issued after July 30, 1978, the amount of includable nonoperating income shall not exceed 12% of the sum of net operating income plus nonoperating income. It is contemplated that said percentage will be successively reduced further in future supplemental indentures so that the Indenture provision (including, ultimately, the base to which the percentage shall apply) will finally conform in substance with the analogous provision of the Policy Statement.

Arkansas proposes to utilize the net proceeds from the issuance and sale of the proposed bonds for the payment of \$7,500,000 principal amount of first mortgage bonds maturing August 1, 1978, and the reduction of short-term indebtedness, estimated to be \$90,000,000 at the time of the sale, used to finance Arkansas' construction program.

Fees and expenses incident to the proposed transaction are estimated at \$198,000, including counsel fees of \$49,000 and accountants' fees of \$15,000. The fee of counsel for the successful bidders is estimated at \$17,000 and is to be paid by the successful bidders.

The Arkansas Public Service Commission and the Tennessee Public Service Commission have jurisdiction over the proposed issuance and sale of the bonds. It is stated that no other state commission and no federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than July 7, 1978, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail upon the applicant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as filed or as it may be amended, may be 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 any notices and orders issued 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.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17040 Filed 6-20-78; 8:45 am]

[8010-01]

[File No. 1-4043]

BARRY WRIGHT CORP.

Application to Withdraw from Listing and Registration

JUNE 14, 1978.

The above named issuer has filed an application with the Securities and Exchange Commission, pursuant to Section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-2(d) promulgated thereunder, to withdraw the specified security from listing and registration on the AMERICAN STOCK EXCHANGE, INC. ("Amex").

The reasons alleged in the application for withdrawing this security from listing and registration include the following:

The common stock of Barry Wright Corporation (the "Company") has been listed for trading on the Amex since September 2, 1960. On January 26, 1978 the stock was also listed for trading on the New York Stock Exchange, Inc. ("NYSE") and concurrently therewith, such stock was suspended from trading on the Amex. The Company has decided to withdraw its common stock from listing on the Amex because it does not see any particular advantage in the dual trading of its stock and does not wish to bear the direct and indirect costs and expenses attendant on maintaining the dual listing of such stock on both exchanges.

The application relates solely to the withdrawal from listing and registration on the Amex and shall have no effect upon the continued listing of such common stock on the NYSE. The Amex has posed no objection in this matter.

Any interested person may, on or before July 12, 1978, submit by letter to the Secretary of the Securities and Exchange Commission, Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission will, on the basis of the application and any other information submitted to it, issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17041 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 14842; SR-CBOE-77-21]

THE CHICAGO BOARD OPTIONS EXCHANGE, INC.

Order Approving Proposed Rule Change

JUNE 12, 1978.

On October 26, 1977, the Chicago Board Options Exchange, Incorporated ("CBOE") filed with the Commission pursuant to Section 19(b)¹ of the Securities Exchange Act of 1934 (the "Act"), as amended by the Securities Acts Amendments of 1975, and rule 19b-4² thereunder, copies of a proposed rule change. The proposed rule change, designated by the CBOE as interpretations .01 and .02 to its existing Rule 4.16, provides for the imposition of trading restrictions of certain transactions involving the writing of the opening uncovered discount call options ("discount option transactions") during the pendency of underwritten distributions of securities underlying call options traded on the CBOE. The filing was supplemented on February 9, 1978, by the addition of certain clarifying language (designated as interpretation .03 to the Rule) relating to the exception provided in the proposed rule change for discount option transactions by CBOE market-makers.

Notice of the proposed rule change was provided in Securities Exchange Act Release No. 14136 (November 4, 1977) and the text of the Proposed Rule was published in the FEDERAL REGISTER (42 FR 59141 (November 15, 1977)).

On March 27, 1978, the CBOE filed an amendment to interpretation .01 of the proposed rule change which eliminated the foregoing exception for marketmaker transactions (as well as interpretation .03 relating thereto). In addition, the amendment eliminated the requirement that the issuer or underwriter submit a written request that the CBOE impose restrictions on discount option transactions. Notice of the amendment was provided in Securities Exchange Act Release No. 14624 (March 31, 1978) and the text of the amendment was published in the FEDERAL REGISTER (43 FR 20585 (May 12, 1978)). No comments were received with respect to either the initial or amended published versions of the proposal.

As discussed more fully below, the Commission finds that the CBOE's

¹ 15 U.S.C. 78s(b).

² 17 CFR 240.19b-4.

proposed rule change is consistent with the Act and rules and regulations thereunder in that it is reasonably designed to prevent fraudulent and manipulative acts and practices in connection with certain underwritten offerings of securities underlying CBOE-traded call options.

DESCRIPTION OF PROPOSED RULE CHANGE

The substance of the proposed rule change is as follows:

Interpretation .01 to CBOE Rule 4.16 indicates, in substance, that the CBOE will impose restrictions on discount option transactions (as defined in interpretation .02 to the Rule) commencing at the time the CBOE is advised by the issuer of a security underlying a call option traded on the CBOE which is engaged in an underwritten public distribution of that underlying security (or securities exchangeable for or convertible into such securities), or is advised by the representative of the underwriters for the distribution (or the Secretary of the CBOE is otherwise notified) that the underwriters have initiated stabilizing activities in the underlying security and the restrictions will be terminated at the conclusion of the stabilizing activities. The interpretation requires the CBOE Board of Directors to impose the foregoing restrictions provided that the following conditions are satisfied: (i) less than a majority of the distributed securities are being sold by existing security holders; (ii) appropriate notices are received by the CBOE from the managing underwriter concerning distribution and stabilization activities; and (iii) exchange stabilizing activities are initiated when the price of the distributed security is either at a "minus" or "zero minus" tick.

Interpretation .02 to CBOE Rule 4.16 defines the term "discount" in connection with uncovered opening writing transactions in call options traded on the CBOE covering both conventional distributions of underlying securities (and securities exchangeable for or convertible into such securities) and distributions of underlying securities pursuant to rights offerings.

COMMISSION FINDINGS

The proposed rule change represents an attempted formalization by the CBOE, within the context of a rule interpretation of general applicability, of exchange restrictions which had previously been imposed, on an *ad hoc* basis, in response to requests from certain underwriters.³ The proposed rule

was formulated in response to concerns relating to discount option transactions which had been expressed by certain issuers of common stock underlying CBOE-traded options and certain investment banking firms which have acted in an underwriting capacity for such issuers.⁴ In substance, these persons maintain that the sale of uncovered discount options, because it creates a distortion in the pricing relationship between the underlying securities and its related options, may be used as a manipulative technique during underwritten offerings involving stabilization. This is so, it is urged, because such transactions may be entered into expressly for the purpose of providing an opportunity for various market professionals to purchase and exercise such options and to thereafter resell immediately underlying securities into the underwriting syndicate's stabilizing bid.⁵ Such "artificial" selling pressure on the syndicate's bid, it is argued, is generated in the hope of breaking the bid, forcing the market price (and, thus, the offering price) lower, guaranteeing a profit to the uncovered discount options writer responsible for such selling pressure.

Although long sales of securities acquired upon exercise of discount uncovered options remain outside the purview of Rule 10a-1⁶ under the Act, the writing (and subsequent exercise) of discount uncovered options, viewed in their entirety, would appear to constitute the functional equivalent of a short sale of the underlying securities into the syndicate's stabilizing bid.⁷

³Prior to the publication of the initial version of the proposed rule change, the Commission's staff received a number of submissions which generally supported the imposition of exchange restrictions on discount option transactions. See, letters dated October 26, 1977, from the Southern Company, Morgan Stanley & Co., and the Syndicate/Options Subcommittee of the Securities Industry Association which are included in File No. SR-CBOE-77-21.

⁴The type of options transaction which gives rise to the above concerns may be illustrated by the following example: Assume that an issuer proposes to engage in an underwritten public distribution at \$52 per share and that there are outstanding options exercisable at \$50 per share. If the \$50 call option is offered at a premium below \$2, for example, at 1-3/4, arbitrageurs will purchase and exercise the discount option and simultaneously sell the underlying securities obtained upon exercise into the syndicate's stabilization bid on an exchange.

⁵17 CFR 240.10a-1.

⁶Rules 10a-1 and 10b-7 under the Act operate in tandem to preclude short sales into a syndicate's stabilizing bid inasmuch as such bids are normally set on an exchange on a "minus" tick or a "zero minus" tick. The foregoing rules would not, however, prevent the writing of discount options on a registered options exchange. Furthermore, Rule 10a-1 imposes restrictions only upon short sales. Accordingly, bona fide long sales

According to certain investment bankers, the availability of these practices affects their assessment of the risks involved in a particular offering and, ultimately, the consideration necessary to attract underwriters to commit their capital. The CBOE has promulgated the proposed rule change in order to allay these concerns so that "option transactions not impede the ability of issuers to raise capital or underwriters to facilitate orderly distributions of the underlying securities."⁸

The Commission believes that the CBOE proposal is reasonably designed, as a prophylactic measure,⁹ to insure that discount option transactions are not entered into for manipulative purposes and do not impede the capital raising process. In view of the close relationship between options and the underlying stock, the Commission believes that the imposition of the lim-

upon exercise of discount options remain outside the scope of the short sale rule.

⁷Form 19b-4, SR-CBOE-77-21 at 4. The importance of stabilization in connection with underwritten offerings has been recognized in past Commission actions. For example, in an early statement issued shortly after the adoption of Regulation X-9A6-1, the predecessor of Rule 10b-7, the Commission identified three arguments in favor of stabilization in connection with distributions: (i) stabilization is necessary to offset market "abnormalities" (i.e., temporary over-supply), inherent in the very nature of public offerings; (ii) underwriters have an obligation to existing and prospective purchasers of a new issue to provide them with a ready market (at least over the short term) in which to sell their securities; and (iii) stabilization is necessary under the existing system of firm commitments and fixed price offerings in order to insure the successful flotation of a new security in anything other than a "bull" market. See Securities Exchange Act Release No. 2446 (March 18, 1940) (the "1940 Release"). In connection with the third justification, the 1940 Release stated that stabilization was warranted to enable the underwriting syndicate to protect itself against a disorderly market during the distribution of the issue to the public. After weighing the numerous arguments presented with respect to stabilizing activities, the Commission, in the 1940 Release, announced its determination to regulate rather than prohibit stabilization. This policy was continued in 1955, with the Commission's promulgation of Rule 10b-7, which regulates stabilization to facilitate an offering of securities.

⁸It should be noted, however, that no evidence has been submitted by the CBOE in support of the proposed rule which indicates that discount option transactions have in fact impeded syndicate stabilizing activities in connection with previous underwritten offerings. The Commission's staff is currently engaged in a comprehensive study of trading in standardized options contracts (see Securities Exchange Act Release No. 14056 (October 17, 1977), 42 Fed. Reg. 56706), and the views and findings expressed herein may be subject to reconsideration after the Commission has had an opportunity to study the findings and conclusions of that study.

³See, e.g., File No. SR-CBOE-77-9 relating to the imposition of discount restrictions in connection with a rights offering conducted in May 1976, by American Electric Power Company.

ited restrictions contemplated by the proposed rule change represents a reasonable exercise of the CBOE's authority to prevent fraudulent and manipulative acts and practices. For the foregoing reasons, the Commission finds that the proposed rule change is consistent with the requirements of Section 6¹⁰ and the rules and regulations thereunder.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing of the amendment thereto, in that the amendment does not, in the Commission's view, represent a significant substantive change to the proposed rule and inasmuch as notice of the initial version was previously published in the *FEDERAL REGISTER* on November 15, 1977, and notice of the amendment thereto was previously provided in Securities Exchange Act Release No. 14624 (March 31, 1978).

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change filed with the Commission on October 26, 1977, as amended on March 27, 1978, be, and it hereby is, approved.

By the Commission.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17042 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 14849; SR-CBOE-78-12]

THE CHICAGO BOARD OPTIONS EXCHANGE, INC.

Order Approving Proposed Rule Change

JUNE 13, 1978.

On May 1, 1978, the Chicago Board Options Exchange, Incorporated ("CBOE") LaSalle at Jackson, Chicago, IL 60604, filed with the Commission, pursuant to Section 19(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78a 35 seq., (the "Act"), as amended by the Securities Act Amendments of 1975, and Rule 19b-4 thereunder, copies of a proposed rule change to amend CBOE Rule 4.17, captioned "Restriction of Out-of-the-Money Options" (the "Proposal"). The Proposal, if adopted, would permit, in certain circumstances, the entry of orders to purchase "deep-out-of-the-money" puts to offset long positions in either the stock underlying those puts or securities exchangeable or convertible into such underlying stock.

Notice of the Proposal, together with its terms of substance, was given by publication of a Commission Release (Securities Exchange Act Release No. 14725, May 1, 1978) and by publication in the *FEDERAL REGISTER* (43 FR 20586 (May 12, 1978)).

¹⁰ 15 U.S.C. 78f.

The Commission finds that the Proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to registered national securities exchanges, and, in particular, the requirements of Section 6 of the Act and the rules and regulations thereunder.¹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the Proposal be, and it hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17043 Filed 6-20-78; 8:45 am]

[8010-01]

[File No. 1-6786]

AMIC CORP.

Application to Withdraw from Listing and Registration

JUNE 14, 1978.

The above named issuer has filed an application with the Securities and Exchange Commission, pursuant to Section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-2(d) promulgated thereunder, to withdraw the specified security from listing and registration on the AMERICAN STOCK EXCHANGE, INC. ("Amex").

The reasons alleged in the application for withdrawing this security from listing and registration include the following:

The common stock of AMIC Corporation (the "Company") has been listed for trading on the Amex since December 8, 1971. On January 18, 1978 the stock was also listed for trading on the New York Stock Exchange, Inc. ("NYSE"). The Company has decided to withdraw its common stock from listing on the Amex because it does not see any particular advantage in the dual trading of its stock and believes that continued listing would no longer serve the purpose of stimulating competition among the market makers of such stock.

The application relates solely to the withdrawal from listing and registration on the Amex and shall have no effect upon the continued listing of such common stock on the NYSE. The Amex has posed no objection in this matter.

Any interested person may, on or before July 12, 1978, submit by letter

¹ It should be noted, however, that the Commission is currently conducting a study and investigation of the options markets. Based upon the results of that study, it may be necessary in the future for the Commission to make findings contrary to the one stated herein and therefore to revise its position respecting exchange rules relating to trading in deep-out-of-the-money options.

to the Secretary of the Securities and Exchange Commission, Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission will, on the basis of the application and any other information submitted to it, issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17044 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 10275; 812-4162]

FEDERATED EXCHANGE FUND, LTD.

Filing of Application

JUNE 9, 1978.

Notice is hereby given that Federated Exchange Fund, Ltd. ("Applicant"), 421 Seventh Avenue, Pittsburgh, Pennsylvania 15219, registered under the Investment Company Act of 1940 ("Act") as an open-end, diversified, management investment company, filed an application on July 25, 1977, and amendments thereto on February 15, 1978, March 3, 1978, April 27, 1978, and May 16, 1978, for an order of the Commission, pursuant to Section 6(c) of the Act, exempting Applicant's proposed quarterly distributions of long-term capital gains from the provisions of Section 19(b) of the Act and Rule 19b-1 thereunder. 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.

Applicant is a limited partnership, formed under the Uniform Limited Partnership Act of California. According to the application, on September 2, 1976, it commenced offering investors holding substantial blocks of individual securities an opportunity to exchange, without investors incurring federal capital gain tax liability at the time of the exchange, such securities for limited partnership interest ("Shares") in Applicant, and that such exchanges of individual securities for Shares occurred on January 1, 1977. As a result of an amendment to the Internal Revenue Code of 1954, contained in the Tax Reform Act of 1976, any future exchanges of securities for Shares would result in investors recognizing gain or loss realized on the exchange for federal income tax purposes. Thus, Applicant states that it

has no intention to issue additional Shares.

The application describes Applicant's investment objective as long-term growth of capital and of income. Applicant states that Exchange Fund Research Corp. serves as its investment adviser and, according to the application, is entitled to receive for its services an annual investment advisory fee equal to 0.55% of Applicant's average net assets, plus 4.5% of its gross income (excluding any capital gains or losses).

Applicant states that substantially all of its net investment income (including realized short-term capital gains, if any) will be distributed to shareholders quarterly, in January, April, July and October and, in addition, that it proposes to distribute to shareholders 40 percent of each quarter's net long-term capital gains with such quarterly distributions of net investment income. According to the application, any additional distribution of realized long-term capital gains will be made, at the discretion of Applicant's Managing General Partners, not more often than once every 12 months. Applicant further states that each quarterly distribution will be accompanied by a statement of partnership long-term capital gains and losses, and net investment income for that quarter.

Section 19(b) of the Act provides, in part, that it shall be unlawful in contravention of such rules, regulations or orders as the Commission may prescribe for any registered investment company to distribute long-term capital gains, as defined in the Internal Revenue Code of 1954 ("Code"), more frequently than once every twelve months. Rule 19b-1 promulgated under the Act provides, in part, that (1) no company which is a "regulated investment company" as defined in Section 851 of the Code shall distribute more than one capital gain dividend, as defined in Section 852(b)(3)(c) of the Code, with respect to any one taxable year of such company, and (2) no company which is not such a "regulated investment company" shall make more than one distribution of long-term capital gain, as defined in the Code, in any one taxable year of the company.

Section 6(c) of the Act provides, in part, that the Commission may, by order upon application, conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provision of provisions of the Act, or the rules or regulations 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. Applicant seeks an exemption from the provisions of Section 19(b) and Rule 19b-1 in order that it may make quarterly distributions of long-term capital gains in the manner described above.

Applicant submits that the Code requires an individual who is a citizen or resident of the United States to file quarterly a declaration of estimated tax, and make payment of such estimated tax on a quarterly basis, if his estimated tax exceeds his withholding by \$100 or more and if he can reasonably expect to receive more than \$500 of gross income from sources other than wages subject to withholding.

Applicant states that it has 545 shareholders, with an average account size of \$138,287, each of whom invested a minimum of \$25,000. Accordingly, Applicant believes that most, if not all, of its shareholders will be subject to the aforementioned quarterly estimated tax payment requirements, and submits that, because it is a partnership, long-term capital gains realized by it, whether distributed or not, are attributed to its partners. It concludes that, if such gains are not distributed, its shareholders may be placed in the disadvantageous position of having to fund the portion of their quarterly estimated tax payments attributable to their allocable shares of Applicant's long-term capital gains from other income sources.

Applicant states that it has determined that the amount of realized net long-term capital gains it proposes to distribute quarterly constitutes a reasonable approximation of the aggregate of the average shareholder's tax liability which would result from the inclusion in such shareholder's gross income of long-term capital gains realized by Applicant during each calendar quarter. Applicant submits that, because realized long-term capital gains will be distributed along with its distribution of net investment income, there will be no significant additional costs associated with its proposed quarterly distributions of long-term capital gains.

Applicant submits that the prohibition of more frequent than annual long-term capital gains distributions was intended to relieve managers of investment companies from pressure to realize capital gains on a regular basis, and to prevent the promotion of sales of investment company shares on the basis of the frequency of capital gains distributions. Applicant states that neither of these concerns is applicable to it because: (1) its portfolio includes securities whose values are considerably above their tax bases; (2) the premature realization of capital gains would be counterproductive to the reason investors, in part, chose to purchase shares of Applicant; and (3) as noted above, in part because of an

amendment to the Code, Applicant does not intend to issue additional Shares. Therefore, Applicant submits that the exemption it requests is appropriate in the public interest and consistent with the protection of investors and the purposes of the Act.

Notice is further given that any interested person may, not later than July 3, 1978, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the application accompanied by a statement as to the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission 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 upon Applicant at the address stated above. Proof of such service (by affidavit or, in the case of an attorney-at-law, by certificate) shall be filed contemporaneously with the request. As provided by Rule 0-5 of the Rules and Regulations promulgated under the Act, an order disposing of the application herein will be issued as of course following said date 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 any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17045 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 20589; 70-6175]

INDIANA & MICHIGAN ELECTRIC CO.

Proposed Charter Amendment To Increase
Shares of Authorized Preferred Stock; Order
Authorizing Solicitation of Proxies in Connection Therewith

JUNE 13, 1978.

Notice is hereby given that Indiana & Michigan Electric Company ("I&M"), 2101 Spy Run Avenue, Fort Wayne, Indiana 46801, an electric utility subsidiary company of American Electric Power Company, Inc. ("AEP"), a registered holding company, has filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating Sections 6(a), 7 and 12(e) of the Act and Rules 62 and 65 promulgated thereunder as applica-

ble to the proposed transaction. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed transaction.

I&M proposes to amend its Articles of Acceptance ("Charter") to increase the number of shares of \$25 cumulative preferred stock ("25 Preferred") that it is authorized to issue from 4,000,000 to 7,200,000. I&M's Charter presently authorizes it to issue 2,250,000 shares of \$100 Preferred (of which 1,470,000 shares are issued and outstanding) and 4,000,000 shares of \$25 Preferred (of which 3,200,000 shares are issued and outstanding). I&M states that there appears to be a wider market for preferred stock priced around \$25 per share than for shares priced around \$100. I&M believes that it is in the best interests of I&M and its shareholders to increase the authorized shares of \$25 Preferred in order to have a sufficient number of shares available for issuance when the need or occasion to sell preferred stock should occur in the future. I&M estimates that its construction program will aggregate \$450,000,000 for 1978 and 1979 (excluding \$47,000,000 construction costs for 1978 and 1979 of a generating subsidiary).

I&M proposes to solicit proxies from its common stockholder and the holders of its outstanding preferred stock for use at a meeting to be held on August 10, 1978, concerning the amendment. The amendment to the Charter requires the affirmative vote of a majority of the outstanding shares of common stock, of the outstanding shares of \$100 preferred (each share of which is entitled to 1 vote), and of the outstanding shares of \$25 preferred (each share of which is entitled to 1/4 of 1 vote), each class voting separately. AEP, the owner of all of I&M's common stock, has indicated that it intends to vote all such shares in favor of the Charter amendment.

The fees and expenses to be incurred in connection with the proposed transaction are estimated at \$71,000, including printing expenses of \$28,000 and transfer agent fees of \$19,000. It is stated that no state commission and no federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than July 10, 1978, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington,

D.C. 20549. A copy of such request should be served personally or by mail upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the General Rules and Regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof.

It appearing that the declaration insofar as it proposes the solicitation of proxies from I&M's stockholders should be permitted to become effective forthwith pursuant to Rule 62:

It is ordered, That the declaration regarding the proposed solicitation of proxies from I&M's stockholders be, and it hereby is, permitted to become effective forthwith pursuant to Rule 62 and subject to the terms and conditions prescribed in Rule 24 under the Act.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17046 Filed 6-20-78; 8:45 am]
[Release No. 20584; 70-5999]

**MIDDLE SOUTH UTILITIES, INC. AND
ARKANSAS POWER & LIGHT CO.**

**Second Post-Effective Amendment Regarding
Issuance and Sale of Common Stock by Subsidiary to Holding Company**

JUNE 9, 1978.

Notice is hereby given that Middle South Utilities, Inc. ("Middle South"), 225 Baronne Street, New Orleans, Louisiana 70112, a registered holding company, and its electric utility subsidiary company, Arkansas Power & Light Company ("Arkansas"), First National Building, Little Rock, Arkansas 72203, have filed with this Commission a second post-effective amendment to the application in this proceeding pursuant to Sections 6(b), 9(a), and 10 of the Public Utility Holding Company Act of 1935 ("Act") regarding the following proposed transaction. All Interested persons are referred to the amended application, which is summarized below, for a complete statement of the proposed transaction.

By orders in this proceeding dated May 16, 1977, and February 10, 1978 (HCAR Nos. 20028 and 20411), the Commission authorized Arkansas to

issue and sell to Middle South, and Middle South to acquire from Arkansas, from time to time until June 30, 1978, at the price of \$12.50 per share, or \$30,000,000 in the aggregate, 2,400,000 presently authorized but unissued shares of the common stock of Arkansas, \$12.50 par value. At the time of the May 16, 1977, order, Arkansas had outstanding 29,436,773 shares of common stock, \$12.50 par value, having an aggregate par value on its books of \$367,959,662.50, all of which shares were owned by Middle South.

On May 18, 1977, Arkansas issued and sold to Middle South 1,200,000 shares of its common stock for a purchase price of \$15,000,000. Subsequently, Arkansas has not issued and sold any additional shares of common stock. Arkansas and Middle South now believe it is in their best interest that the additional 1,200,000 shares of common stock be sold and delivered by Arkansas to Middle South from time to time through and including June 30, 1979, in increments to be determined by Arkansas and Middle South.

The Arkansas Public Service Commission and the Tennessee Public Service Commission have authorized the issuance and sale of the new common stock by Arkansas. No other state commission and no federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than July 5, 1978, 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 upon the applicants at the above-stated addresses, 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 any notices and orders issued 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.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17047 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 34-14844; SR-MSE-78-91]

MIDWEST STOCK EXCHANGE, INC.

Order Approving Proposed Rule Change

JUNE 12, 1978.

On March 15, 1978, the Midwest Stock Exchange, 120 South LaSalle Street, Chicago, Illinois, filed with the Commission, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78(s)(b)(1) (the "Act") and Rule 19b-4 thereunder, copies of a proposed rule change which would reduce the minimum capital requirements of specialists and clarify the net capital requirements of market makers.

Notice of the proposed rule change together with the terms of substance of the proposed rule change was given by publication of a Commission Release (Securities Exchange Act Release No. 34-14690, April 20, 1978) and by publication in the FEDERAL REGISTER (43 FR 18078, April 27, 1978). All written statements with respect to the proposed rule change which were filed with the Commission and all written communications relating to the proposed rule change between the Commission and any person were considered and (with the exception of those statements or communications which may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552) were made available to the public at the Commission's Public Reference Room.

The Commission finds that the proposed change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to registered stock exchanges, and in particular, the requirements of Section 6, and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the above-mentioned proposed rule change be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.

By the Commission.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17048 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 20590; 70-6157]

OHIO POWER CO. AND CENTRAL OHIO COAL CO.

Proposed Sale of New Coal Mining Equipment to Third Party and Leaseback by Second-Tier Subsidiary, of Proposed Guaranty by Subsidiary of Lease, and of Open Account Advances by Subsidiary

JUNE 13, 1978.

Notice is hereby given that Ohio Power Company ("Ohio"), 301 Cleveland Avenue, SW., Canton, Ohio 44702, an electric utility subsidiary company of American Electric Power Company, Inc., a registered holding company, and Central Ohio Coal Company ("COCO"), P.O. Box 98, Cumberland, Ohio 43732, a coal mining subsidiary company of Ohio, have filed an application-declaration and an amendment thereto with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating Sections 9 and 12 of the Act as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

COCO was organized in 1946 for the purpose of conducting surface mining operations on behalf of Ohio. COCO operates three mines owned by Ohio in Morgan, Muskingum and Noble Counties, Ohio; and its total output is utilized by Ohio's Muskingum River Generating Station. It is stated that the Muskingum Mine has produced coal at an annual level of 3.0 to 3.2 million tons, but that to meet environmental standards which become effective in 1979, 2.3 to 2.5 million annual tons will be required. It is further stated that unless new equipment is acquired, production will drop to 1.4 million annual tons by 1981. It was determined that a 110 cubic yard dragline, to remove overburden, would be an appropriate mining machine to help avoid a drop in annual production below 2.3 to 2.5 million tons. Additionally, a 23 cubic yard shovel is required to load uncovered coal, and moveable electric substations are required to support these mining machines. On December 15, 1977, Ohio acquired one Marion (Model 8750) 110 cubic yard dragline ("Dragline") from AMAX, Inc. for \$18,742,000. Since the Dragline was delivered unassembled, Ohio is entering into a contract for the erection of the Dragline ("Erection Contract"). It is currently estimated that the total erected cost of the Dragline will be \$27,000,000. Ohio also contracted to purchase one Bucyrus-Erie (Model 295) 23 cubic yard shovel ("Shovel"), having an approximate cost of \$2,000,000, and two 138/22.9

kVA skid mounted substations and related electrical support equipment for the Dragline ("Electrical Support Equipment"), having an approximate cost of \$1,000,000.

The proposed transactions involve the assignment of the rights and interest to the Dragline, Shovel, and Electrical Support Equipment, having a total aggregate cost of approximately \$30,000,000, to Girard Bank ("Lessor"), as trustee under a trust for the benefit of C.I.T. Leasing Corporation or another wholly-owned subsidiary of C.I.T. Financial Corporation ("Owner Participant"). Lessor would then lease this equipment to COCO.

It is proposed that Ohio assign its rights and interests in the Dragline, Erection Contract, and Electrical Support Equipment to COCO. The erection process is expected to be completed by September 1979. The Dragline will be erected at the Muskingum Mine. Additionally, Ohio will assign its rights in the Shovel either directly to Lessor, or to COCO, which would then assign such rights to Lessor. There is planned an initial closing as soon as possible after June 1, 1978, the scheduled delivery date of the Shovel. At that time, Lessor will pay the approximate cost of the Shovel, \$2,000,000. Upon completion of erection of the Dragline, but before final testing commences, there would be a second and final closing, at which COCO would transfer the Dragline and Electrical Support Equipment to Lessor. Lessor would pay COCO for the Dragline, which will consist of the original cost of \$18,742,000, plus any related delivery costs, erection costs, accumulated allowance for funds used during construction, and other costs, including certain fees and expenses incurred by COCO, and an amount presently estimated to aggregate not more than \$27,000,000. At that time Lessor would also pay COCO for the Electrical Support Equipment for the Dragline, such equipment presently expected to cost approximately \$1,000,000. The final closing is presently anticipated to be in September 1979.

At the first closing, Lessor will lease the Shovel to COCO. The Dragline and Electrical Support Equipment will be leased by Lessor to COCO at the second and final closing. There will be one lease covering both the Shovel and the Dragline, but there will be individual lease terms for the Shovel and the Dragline. The base term for the Shovel will be a period of twenty years from the date of acceptance by COCO and month-to-month thereafter until such base term becomes co-terminous with the base term of the Dragline. The base term for the Dragline and Electrical Support Equipment will commence when construction of such Dragline is completed, but before final testing commences, and upon ac-

ceptance by Lessee. The base term for the Dragline will be a period of twenty years from the date of acceptance of the Dragline by COCO.

The lease will provide that COCO will pay to Lessor the basic rent payable thereunder and, as additional rent, be responsible for all maintenance, insurance, taxes (other than franchise taxes and certain taxes imposed on or measured by net income) and all other costs in connection with the operation of the equipment. Rent will be paid in forty equal semi-annual installments in arrears with respect to both the initial 20-year period of the base term of the Shovel and the 20-year base term of the Dragline at a rate of 3.89% of the equipment cost for an equivalent effective interest cost to COCO of approximately 4.72% per annum. After the initial 20-year period of the base term of the Shovel, rent will continue on a month-to-month basis at the rate of 0.65% of the cost of the Shovel, until such base term becomes coterminous with the base term of the Dragline. These lease rates reflect that a 10% investment tax credit will be retained by the Owner Participant, and that the rent under the lease is sufficient to service the long-term loan from the Loan Participant at a rate of 9.50%.

COCO will have the right to renew the lease with respect to either the Dragline or the Shovel or both for a total of up to four consecutive 5-year terms at the then fair market rental value of such equipment. COCO will have the right to purchase either the Dragline or the Shovel or both at the end of the base terms or at the end of any renewal term at the then fair market value of such equipment. The lease will be non-terminable for reasons other than casualty or condemnation prior to the tenth anniversary from commencement thereof. Thereafter, such lease shall be terminable pursuant to a termination schedule for reasons of economic obsolescence or otherwise. The lease will provide a separate termination schedule for casualty or condemnation.

It is proposed that the funds to be used by the Lessor in purchasing the equipment will be obtained, to the extent of 50% of the purchase price, from the Owner Participant's making of an equity investment in the beneficial ownership of the equipment and, to the extent of the remaining 50% of the purchase price, from borrowings made by the Lessor from John Hancock Mutual Life Insurance Company ("Loan Participant"). The purchase price of the equipment will include all overhead and indirect costs. The Owner Participant and the Loan Participant have issued commitments extending through March 31, 1980 in the aggregate amount of \$30,000,000, plus or minus 10%. Lessor will purchase the

Shovel upon delivery with an equity contribution of 50% of the total cost of the Shovel and with a long-term loan from the Loan Participant for the remaining 50% of the total cost.

It is further stated that COCO will finance the acquisition and erection of the Dragline and the acquisition of the Electrical Support Equipment with the proceeds of a proposed credit agreement with Irving Trust Company pursuant to which COCO would be able to borrow an aggregate amount of up to \$30,000,000. This credit agreement is to be the subject of a separate application to the Commission. The credit agreement will cover the period of construction of the Dragline.

Ohio proposes to guarantee unconditionally all COCO's obligations under the lease (whether of payment or performance). Ohio will, through its guarantee of COCO's lease obligations, indemnify Lessor for any obligations to the Interim Lender during the construction period. The failure of such guarantee to remain in full force and effect would be made an event of default under the lease subject to the proviso that Ohio would, under such circumstances, have 30 days within which to decide whether or not it wished to assume directly the obligations under the lease and, thereafter, 120 days within which to obtain any requisite administrative or other governmental approval for such assumption.

Ohio also proposes to make open-account advances to COCO from time to time through March 31, 1980 in an aggregate maximum amount of \$41,000,000. The actual exercise of the requested authority to make open-account advances in an aggregate maximum amount of \$41,000,000 is dependent upon the successful consummation of the instant and other leasing transactions. To the extent that any such leasing transactions are consummated, the amount of open-account advances authorized to be made by Ohio to COCO would be reduced, as of the date of consummation of any such leasing transactions, to the extent of the value of the property which is the subject of any of such leasing transactions. In the event that the herein proposed transaction relating to the Shovel and the Dragline and Electrical Support Equipment, having an aggregate cost of approximately \$30,000,000, is not successfully consummated, then Ohio would make open-account advances to COCO in the amount of approximately \$30,000,000 in order to enable COCO to acquire such equipment. In the event that COCO can not successfully consummate proposed leasing transactions with Manufacturers Hanover Trust Company and BLC Corporation with respect to trucks having an aggregate cost of approximately

\$3,000,000 and two blast hole drills and related equipment having an aggregate cost of approximately \$2,000,000, which leasing transactions are the subject of a separate application (File 70-6152), then Ohio would make open-account advances to COCO in the amount of approximately \$5,000,000 in order to enable COCO to acquire such equipment. In addition, Ohio would make open-account advances to COCO in the amount of approximately \$6,000,000 to enable COCO to construct fine coal cleaning additions to an existing coal preparation plant, which additions are necessary to prepare cleaner burning coal in order to meet environmental emission standards. Any and all open-account advances would bear interest at the prime rate and would be prepayable at any time without premium or penalty.

The fees and commissions to be incurred in connection with the proposed transactions will be supplied by amendment. It is stated that the Public Utilities Commission of Ohio may have jurisdiction over Ohio's proposed guaranty of COCO's lease obligations, and that no other 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 July 7, 1978, request in writing that hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application-declaration which he desires to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail upon the applicants-declarants at the above stated addresses, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application-declaration, as amended or as it may be further amended, may be granted and permitted to become effective as provided in Rule 23 of the General Rules and Regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive any notices and orders issued 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.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17049 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 34-14843; File No. SR-MSE-78-14]

MIDWEST STOCK EXCHANGE, INC.

Self-Regulatory Organization; Proposed Rule Change

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), as amended by Pub. L. No. 94-29, 16 (June 4, 1975), notice is hereby given that on June 7, 1978, the above-mentioned self-regulatory organization filed with the Securities and Exchange Commission a proposed rule change as follows:

STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

Additions Italicized—[Deletions Bracketed]

ARTICLE IV

Article IV, Rule 7 is hereby amended as follows:

JUDICIARY COMMITTEE

Rule 7. Whenever, in accordance with the Rules, a disciplinary matter is to be reviewed by a Judiciary Committee, the Chairman of the Board shall appoint five disinterested members of the Exchange and/or general partners or officers of member organizations as a Judiciary Committee, for that purpose. A new Judiciary Committee shall be appointed to consider and determine each such matter. If a vacancy shall occur on a Judiciary Committee after it has begun its proceedings, the remaining members appointed by the Chairman of the Board shall complete consideration and disposition of the matter. Once a Judiciary Committee has determined the matter for which it was appointed and has notified the secretary in writing of its decision, it shall be dissolved automatically.

STATEMENT OF BASIS AND PURPOSE

The basis and purpose of the foregoing proposed rule change is as follows:

The purpose of this rule change is to broaden the pool of knowledgeable and disinterested parties to handle the review of disciplinary matters, inasmuch as the Exchange attempts to staff the Judiciary Committee with disinterested persons knowledgeable in the subject matter in the particular disciplinary actions.

The basis for this rule change is Section 6(b)(7) of the Act, which provides

that the rules of the Exchange provide a fair procedure for the disciplining of members and persons associated with member organizations.

The Midwest Stock Exchange, Incorporated, has neither solicited nor received any comments.

The Midwest Stock Exchange, Incorporated believes that no burdens have been placed on competition.

The foregoing rule change has become effective, pursuant to Section 19(b)(3) of the Securities Exchange Act of 1934. At any time within sixty days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Securities Exchange Act of 1934.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons desiring to make written submissions should file 6 copies thereof with the Secretary of the Commission, Securities and Exchange Commission, Washington, D.C. 20549. Copies of the filing with respect to the foregoing and of all written submissions will be available for inspection and copying in the Public Reference Room, 1100 L Street, NW., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number referenced in the caption above and should be submitted on or before July 12, 1978.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

JUNE 12, 1978.

[FR Doc. 78-17050 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 34-14762; File No. SR-PSE-78-7]

PACIFIC STOCK EXCHANGE INC.

Self-Regulatory Organizations; Proposed Rule Change

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1) (the "Act"), as amended by Pub. L. No. 94-29, 16 (June 4, 1975), notice is hereby given that on May 11, 1978, the above-mentioned self-regulatory organization filed with the Securities and Exchange Commission an amended proposed rule change as follows:

EXCHANGE'S STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

The Pacific Stock Exchange Incorporated ("PSE") hereby requests to amend Rule VI, Section 79, paragraphs (c) and (d) as follows (brackets indicate deletions, italics indicate additions):

RULE VI

EXCHANGE OPTIONS TRADING

OBLIGATIONS OF MARKET MAKERS

Sec. 79.

(a) No change.

(b) No change.

(c) Appointment as a Supplemental Market Maker. With respect to classes of option contracts to which his appointment under Section 75 imposes the obligations set forth in this paragraph (c), a Market Maker is expected to undertake the obligations specified in paragraph (b) of this Section in response to a demand therefor from the Order Book Official which may be made upon determination by the Order Book Official that the performance of such obligations by other Market Makers requires supplementation. Whenever a Market Maker enters the trading crowd for a class of option contracts in which he holds a Supplemental Appointment in other than a floor brokerage capacity (whether voluntarily or as a result of a demand from an Order Book Official), he shall fulfill the obligations established by [clauses (1) and (2)] paragraph (b) of this Section.

(d) In Classes of Option Contracts Other Than Those to Which Appointed. With respect to classes of option contracts other than those to which his appointment extends, a Market Maker should not engage in transactions for an account in which he has an interest which are disproportionate in relation to, or in derogation of, the performance of his obligations as specified in paragraph (b) and (c) of this section with respect to those classes of option contracts to which his appointment does extend. Whenever a Market Maker enters the trading crowd for a class of options in which he holds neither a principal nor a supplemental appointment in other than a floor brokerage capacity he shall fulfill the obligations established by [clauses (1) and (2)] paragraph (b) of this Section. Furthermore, Market Makers should not:

(1) Congregate in a particular class of option contract; or

(2) Individually or as a group, intentionally or unintentionally, dominate the market in option contracts of a particular class; or

(3) Effect purchases or sales on the floor of the Exchange except in a reasonable and orderly manner.

EXCHANGE'S STATEMENT OF BASIS AND PURPOSE

The basis and purpose of the foregoing proposed rule is as follows:

STATEMENT OF PURPOSE

The purpose of the proposed rule change is to impose identical affirmative obligations upon PSE options Market Makers whether they are trading in assigned or unassigned options classes. Presently under PSE Rule VI, Section 79(b)(3) two Floor Officials may waive under certain circumstances, for a Market Maker trading in his assigned classes, the requirements of Section 79(b)(2). Floor officials do not have the authority to make a similar waiver for Market Makers trading outside their assigned classes. Furthermore, the same disparity exists between Market Makers trading in their principal assigned classes and those trading in supplemental assignments. This proposed rule change would provide PSE option Market Makers with an exemption under paragraph (A) of Section 11(a)(1) of the Act in respect of their on-floor, proprietary trading in unassigned option classes.

BASIS UNDER THE ACT FOR PROPOSED RULE CHANGE

The proposed rule change, by providing parameters for Market Maker trades in unassigned classes and supplemental classes similar to those for trades in principal assignments, shall help promote just and equitable principles of trade consistent with Section 6(b)(5) of the Act.

COMMENTS RECEIVED FROM MEMBERS OR OTHERS ON PROPOSED RULE CHANGE

The PSE states that comments were neither solicited nor received from members participants or others on the proposed rule change.

BURDEN ON COMPETITION

The PSE asserts that the proposed rule change would impose no burden on competition.

On or before July 26, 1978, or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the above-mentioned self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons desiring to make written submissions should file six copies thereof with the Secretary of the Commission,

Securities and Exchange Commission, Washington, D.C. 20549. Copies of the filing with respect to the foregoing and of all written submissions will be available for inspection and copying in the Public Reference Room, 1100 L Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number referenced in the caption above and should be submitted on or before July 12, 1978.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

MAY 15, 1978.

[FR Doc. 78-17051 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 14856; SR-Amex-77-361]

AMERICAN STOCK EXCHANGE

Order Approving Proposed Rule Change

JUNE 15, 1978.

On December 27, 1977, the American Stock Exchange, Inc., 86 Trinity Place, New York, New York 10006, filed with the Commission, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78(s)(b)(1) (the "Act") and Rule 19b-4 thereunder, copies of a proposed rule change which would amend certain Constitutional and rule provisions relating to record keeping and other matters to bring the rules into compliance with the Securities Exchange Act of 1934.

Notice of the proposed rule change together with the terms of substance of the proposed rule change was given by publication of a Commission Release (Securities Exchange Act Release No. 34-14367, January 11, 1978) and by publication in the FEDERAL REGISTER (43 FR 3449, January 25, 1978). All written statements with respect to the proposed rule change which were filed with the Commission and all written communications relating to the proposed rule change between the Commission and any person were considered and (with the exception of those statements or communications which may be withheld from the public in accordance with the provisions of 5 U.S.C. (552) were made available to the public at the Commission's Public Reference Room.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to national securities exchanges and in particular, the requirements of Section 6, and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, That the above-mentioned proposed rule change be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17116 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 10276; 812-4311]

IVY FUND, INC., ET AL.

Filing of Application for Temporary Exemption

JUNE 14, 1978.

Notice is hereby given That Ivy Fund, Inc. ("Fund"), 28 State Street, Boston, Mass. 02109, an open-end, diversified, management investment company registered under the Investment Company Act of 1940 ("Act"), Furman Selz Mager Dietz & Birney Inc. ("Furman Selz"), 110 Wall Street, New York, N.Y. 10005, and Grantham, Mayo, Van Otterloo & Co., Inc. ("Grantham Mayo"), 60 Batterymarch Street, Boston, Mass., both registered investment advisers under the Investment Advisers Act of 1940 (the Fund, Furman Selz and Grantham Mayo hereinafter referred to collectively as, "Applicants") filed an application on May 16, 1978, and an amendment thereto on May 31, 1978, pursuant to section 6(c) of the Act, for an order of the Commission, temporarily exempting Applicants from the provisions of section 15(a) of the Act to permit Furman Selz and Grantham Mayo to render investment advisory services to the Fund prior to the shareholders of the Fund Approving formal investment advisory contracts with Furman Selz and Grantham Mayo. 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.

Applicants represent that during the summer and fall of 1977 the Board of Directors of the Fund determined that the Fund was at a serious disadvantage, as a mutual fund that is internally managed, in having only one investment adviser when compared to larger mutual fund complexes having a broad range of investment research to serve the different funds within the group, and that having more than one investment adviser would provide the Fund with a broader range of research and investment recommendations which would benefit the Fund and its shareholders through improved performance in varying market conditions. In addition, Applicants represent that the Fund's Directors believed that the Fund should attempt to reduce the

fees payable to its investment adviser. Thus, the Fund informed its then existing investment adviser, Standish, Ayer & Wood, Inc. ("Standish Ayer") in November 1977, of its intent to seek a co-investment adviser, and requested that Standish Ayer notify the Fund by the end of 1977 if this would present a problem to Standish Ayer. Applicants state that nothing was heard from Standish Ayer regarding this matter until February 1978, when Standish Ayer requested certain information regarding the candidates that the Directors of the Fund were considering for co-investment adviser.

The Directors of the Fund interpreted the above request by Standish Ayer as indicating that Standish Ayer might be uncomfortable with whatever choice the Directors might make to act as the Fund's co-investment adviser. Applicants state that, given Standish Ayer's reaction to the Fund's proposal to appoint a co-investment adviser, the Directors of the Fund feared that Standish Ayer might give notice to the Fund terminating its investment advisory contract with the Fund upon the Directors' selection of a second investment adviser; and even if Standish Ayer initially agreed to continue as an investment adviser to the Fund under the new dual advisory arrangement, the Directors of the Fund were not certain that Standish Ayer might not subsequently terminate its investment advisory contract with the Fund should it become dissatisfied with the dual advisory arrangement. Applicants represent that for these reasons the Board of Directors of the Fund determined unanimously not to renew the Fund's investment advisory contract beyond its expiration date of April 15, 1978. Accordingly, the Board of Directors of the Fund gave notice to Standish Ayer on February 17, 1978, of its unanimous decision not to renew the Fund's investment advisory contract with Standish Ayer beyond April 15, 1978.

Applicants state that the Board of Directors of the Fund after deciding not to renew the Fund's investment advisory contract with Standish Ayer immediately took action to attempt to find satisfactory investment advisers that would be willing to serve the Fund in a dual advisory arrangement, and after interviewing a number of qualified candidates the Board of Directors of the Fund determined that it was in the best interests of the Fund and its shareholders to employ Furman Selz and Grantham Mayo as investment adviser and investment counsel for the Fund, respectively. Thus, on March 10, 1978, the Board of Directors of the Fund voted, among other things, to (1) employ Furman Selz to provide investment advisory services to the Fund pursuant to a written contract commencing April 15,

1978; (2) approve a formal investment advisory contract between the Fund and Furman Selz ("Advisory Contract"); (3) approve the appointment by Furman Selz of Grantham Mayo to serve as investment counsel for the Fund pursuant to a written contract commencing April 15, 1978; (4) approve a formal investment counsel contract between Furman Selz and Grantham Mayo whereby Grantham Mayo will serve as investment counsel for the Fund ("Investment Counsel Contract"); and (5) call a special meeting of the shareholders of the Fund for the purpose of seeking the approval of a majority of the Fund's shareholders of the Advisory Contract and Investment Counsel Contract described herein. Applicants further state that this special meeting of the Fund's shareholders, originally set for June 29, 1978, is presently scheduled for July 7, 1978.

The Advisory Contract between the Fund and Furman Selz provides that the Fund will pay to Furman Selz for advisory services rendered the Fund during the period from April 15, 1978, to the date of the above special meeting of the Fund's shareholders, the lesser of Furman Selz's costs of providing such services (which may include, but shall not exceed the compensation to be paid by Furman Selz to Grantham Mayo pursuant to the Investment Counsel Contract) reduced by 50 percent of the compensation retained by Furman Selz for effecting Fund portfolio transactions during such period, or a fee equal to $\frac{1}{2}$ of 1 percent per annum of the Fund's average net assets in such period prorated for the period reduced by 50 percent of the compensation retained by Furman Selz for effecting Fund portfolio transactions during such period. The Advisory Contract further provides that in the event the shareholders of the Fund approve such Advisory Contract the Fund will pay to Furman Selz for that part of the period prior to shareholder approval which follows the obtaining of the Commission order of exemption requested in the Application, the amount by which the aforesaid percentage fee exceeds Furman Selz's costs, if such retroactive payment is specifically approved by a majority of the Fund's shareholders and the order of the Commission requested herein is granted. The Investment Counsel Contract between Furman Selz and Grantham Mayo provides that Furman Selz will pay to Grantham Mayo for investment counsel services rendered by Grantham Mayo for the Fund during the period from April 15, 1978, to the date of the above special shareholder's meeting, the lesser of Grantham Mayo's costs of providing such services or a fee equal to $\frac{1}{2}$ of 1 percent per annum of the Fund's average net assets in such

period prorated for the period. The Investment Counsel Contract further provides that Furman Selz will pay to Grantham Mayo for that part of the period prior to shareholder approval which follows the obtaining of the Commission order of exemption requested in the Application, the amount by which the aforesaid percentage fee exceeds Grantham Mayo's costs, if such retroactive payment is specifically approved by a majority of the Fund's shareholders and the order of the Commission requested herein is granted.

Section 15(a) of the Act provides, among other things, that it shall be unlawful for any person to serve or act as an investment adviser of a registered investment company except pursuant to a written contract which has been approved by the vote of a majority of the outstanding voting securities of such registered investment company. Section 2(a)(20) of the Act, in pertinent part, defines the term "investment adviser of an investment company" to include any person who, pursuant to contract, regularly furnishes advice to an investment company with respect to the desirability of investing in, purchasing or selling securities, or is empowered to determine what securities shall be purchased or sold.

Applicants seek an order of the Commission, pursuant to section 6(c) of the Act, temporarily exempting Applicants from the provisions of Section 15(a) of the Act to permit:

(1) The fund to employ Furman Selz as the Fund's investment adviser prior to consideration by the Fund's shareholders of whether to approve the Advisory Contract,

(2) The Fund to pay retroactively from the date of issuance of the exemptive order of the Commission requested herein until the date of the above special meeting of the Fund's shareholders presently scheduled for July 7, 1978, to Furman Selz the amount by which the percentage fee specified in the Advisory Contract exceeds Furman Selz's costs of providing advisory services to the Fund, if the Fund's shareholders specifically approve such Advisory Contract and the retroactive payment provisions contained therein;

(3) Furman Selz to employ Grantham Mayo to serve as investment counsel for the Fund prior to consideration by the Fund's shareholders of whether to approve the Investment Counsel Contract, and

(4) Furman Selz to pay retroactively from the date of issuance of the exemptive order of the Commission requested herein to the date of the above special meeting of the Fund's shareholders presently scheduled for July 7, 1978, to Grantham Mayo the amount by which the percentage fee specified in the Investment Counsel Contract exceeds Grantham Mayo's costs of providing investment counsel services for the Fund, if the Fund's shareholders specifically approve such Investment Counsel Contract and the retroactive payment provisions contained herein.

Section 6(c) of the Act provides in pertinent part that the Commission,

by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provision of the Act or from 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 provisions of the Act.

Applicants argue that granting of the requested temporary exemption from the provisions of section 15(a) of the Act in order to remove any questions as to the lawfulness of the action of the Board of Directors of the Fund in employing Furman Selz and Grantham Mayo to act as investment adviser and investment counsel, respectively, for the Fund on a cost basis prior to approval by the Fund's shareholders of formal investment advisory contracts with them is appropriate in the public interest and consistent with the protection of investors and the purposes fully intended by the policy and provisions of the Act. Applicants point to the fact that section 15(a)(3) of the Act specifically gives boards of directors of investment companies the power to terminate investment advisory contracts of which their companies are a party in appropriate circumstances. Applicants also point to the fact that section 15(c) of the Act imposes on those members of boards of directors of investment companies who are not interested persons, as that term is defined in section 2(a)(19) of the Act, of any party to an investment advisory contract of which their companies are a party the specific obligation and responsibility to monitor the level of services rendered to their companies under investment advisory contracts. Applicants state that where the Directors of the Fund have taken action to fulfill and implement their responsibilities under section 15(c) of the Act they should not be subject to challenge for taking such action. Applicants further argue that the compensation payable to Furman Selz and Grantham Mayo under the terms of the Advisory Contract and Investment Counsel Contract prior to shareholder approval of those contracts is reasonable and fair; and that Furman Selz and Grantham Mayo should not be penalized because the Directors of the Fund were unable to present the Advisory Contract and Investment Counsel Contract to the Fund's shareholders for their consideration before the Fund's investment advisory contract with Standish Ayer expired.

Notice is further given, That any interested person may, not later than July 6, 1978, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the application accompa-

nied by a statement as to the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission 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 upon Applicants at the addresses stated above. Proof of such service (by affidavit or, in the case of an attorney-at-law by certificate) shall be filed contemporaneously with the request. As provided by Rule 0-5 of the Rules and Regulations promulgated under the Act, an order disposing of the application herein will be issued as of course following said date 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 any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17117 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 10277; 812-4182]

**MUTUAL INVESTING FOUNDATION AND
HERITAGE SECURITIES, INC.**

**Filing of Application for an Order Exempting
Proposed Transactions**

JUNE 14, 1978.

Notice is hereby given, That Mutual Investing Foundation ("Mutual"), One Nationwide Plaza, Columbus, Ohio 43216, registered under the Investment Company Act of 1940 (the "Act") as a diversified, open-end management investment company, and Heritage Securities, Inc. ("Heritage"), Mutual's principal underwriter and investment adviser (collectively referred to as "Applicants"), filed an application on September 1, 1977 and an amendment thereto on June 13, 1978, pursuant to section 6(c) of the Act, for an order of the Commission exempting from section 22(d) of the Act a proposed plan whereby recipients of amounts payable under certain insurance contracts may apply such proceeds towards the purchase of shares of Mutual at reduced sales charges. 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.

Applicants assert that Mutual issues shares of two funds, MIF Fund and MIF Growth Fund. According to the application, Mutual is currently offering shares of MIF Fund and MIF Growth Fund to the public at net asset value plus a sales charge. Applicants submit that such sales charge is 7½ percent of the offering price on purchases of less than \$2,500 and is reduced on larger purchases.

Applicants state that Heritage is a wholly owned subsidiary of Nationwide Corporation, a downstream holding company owning four of the insurance companies of the Nationwide Group of companies, such group consisting of the following companies: Nationwide Life Insurance Company, Pacific Life Insurance Company, Michigan Life Insurance Company, Gulf Atlantic Life Insurance Company, West Coast Life Insurance Company, National Casualty Company, Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company and Nationwide General Insurance Company.

According to the application, Heritage's entire sales force is comprised of licensed insurance agents of the Nationwide Group of Companies.

Applicants propose to implement a reduced purchase price privilege ("Purchase Privilege"), whereby recipients of amounts payable under insurance and annuity contracts issued by any of the Nationwide Group of Companies would be permitted to apply such amounts received by them towards the purchase of shares of Mutual at a reduced sales load equal to one-half the sales load listed in the then current Mutual prospectus. Under Applicant's proposal, the Purchase Privilege (1) must be exercised within 60 days of the receipt of the benefit check, (2) will apply to both group and individual policies, and (3) will be limited to the following types of insurance and annuity contracts issued by the Nationwide Group of Companies: life insurance policies, guaranteed interest deferred or immediate annuity contracts, property and casualty insurance policies, accident and health insurance policies, disability income protection policies and liability insurance coverage (collectively referred to as "Contracts"). Applicants represent that the Contracts are not registered securities of an open-end investment company or a unit investment trust.

Applicants further represent that in the case of any insured or beneficiary receiving insurance proceeds in the form of periodic installment payments, such as life insurance settlement options, annuity contracts, disability income policies or similar installment arrangements, each installment will be treated as a separate receipt of insurance proceeds for purposes of the Purchase Privilege.

Section 22(d) of the Act provides, in part, that no registered investment company or principal underwriter therefor shall sell any redeemable security issued by such company to any person except at a current public offering price described in the prospectus. Accordingly, Applicants request that purchases made pursuant to the Purchase Privilege be exempted from the provisions of Section 22(d) of the Act.

Applicants assert that the proposed exemption presents no significant threat to the orderly distribution of redeemable investment company securities since it will not result in the creation of a secondary market.

They further assert that because of the affiliation between Heritage and the Nationwide Group of Companies, proceeds to be applied under the Purchase Privilege should be viewed as a conversion of money from one medium to another, both within the Nationwide family of related insurance and equity products. Applicants submit that since the premiums paid on the Contracts constituting the source of the proceeds to be applied under the Purchase Privilege will already have been subjected to a full sales charge, the proposed exemption would not result in unfair discrimination and is in fact necessary to avoid inequitable duplication of sales charges.

Moreover, Applicants assert that a full sales load is not warranted in the circumstances to which the proposed Purchase Privilege would be applicable since, by reason of the customer-agent relationship developed and maintained by the Nationwide insurance salesman with their insurance clients, less solicitation effort is required for sales which qualify for the Purchase Privilege than for sales made to new prospects. In the case of death proceeds and cash value of life insurance policies, Applicants submit that there is an additional reduction in sales effort; in those cases there is no separate or special solicitation since the benefit checks are personally delivered to the insured or beneficiary by a Nationwide insurance agent. Applicants also argue that the rationale of reduced sales expense where fund shares are purchased with group insurance proceeds is similar to that in the case of individual insurance policies since in most group contract situations there is still some direct contact between the individual participant and the agent.

Section 6(c) of the Act provides that the Commission, by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities or transactions from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the pro-

tection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given, That any interested person may, not later than July 10, 1978, 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 upon Applicants at the address stated above. Proof of such service (by affidavit or, in the case of an attorney-at-law, by certificate) shall be filed contemporaneously with the request. 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 said date 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 any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17118 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 5937; 18-7]

PARKER, MILLIKEN, CLARK & O'HARA

Filing of Application for an Order Exempting Interests or Participations in the Parker, Milliken, Clark & O'Hara Retirement Plan and Trust Agreement

JUNE 15, 1978.

Notice is hereby given That Parker, Milliken, Clark & O'Hara, 333 South Hope Street, Los Angeles, CA 90071, a law firm organized as a partnership under the laws of the state of California, on January 31, 1978, filed an application for an exemption from the registration requirements of the Securities Act of 1933 (the "Act") for participations or interests issued in connection with the Parker, Milliken, Clark & O'Hara Retirement Plan and Trust Agreement (the "Plan"). All interested persons are referred to that application, which is on file with the Commission, for the facts and representations contained therein, which are summarized below.

I. INTRODUCTION

Applicant's plan provides that partners and employees of the Applicant are eligible to participate therein if they have completed three or more years of service with the Applicant without an intervening break in service, are at least 25 years of age, and earn annual compensation (as defined in the Plan) for any year after 1975 in excess of the Social Security wage base applicable to such year. Participation in the Plan by eligible partners and employees of Applicant is mandatory, and each eligible employee is automatically admitted to participation on the first of January or July next following the date he or she fulfills the eligibility requirements. The Plan is a trusteed profit-sharing plan which covers persons (in this case, Applicant's partners) who are employees within the meaning of section 401(c)(1) of the Internal Revenue Code of 1954, as amended, (the "Code") and, therefore, is excepted from the exemption provided by section 3(a)(2) of the Act for interests or participations in certain employee benefit plans of corporate employers.

Section 3(a)(2) of the Act provides, however, that the Commission may exempt from the provisions of section 5 of the Act any interest or participation issued in connection with a pension or profit-sharing plan which covers employees some or all of whom are employees within the meaning of Section 401(c)(1) of the Code, if and to the extent that the Commission determines this to be 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.

II. DESCRIPTION AND ADMINISTRATION OF THE PLAN

Applicant represents that the Plan was adopted in December 1977, retroactive to January 1, 1977. Applicant has applied for a determination by the Internal Revenue Service that the Plan meets the requirements of Section 401(a) of the Code and that the trust under the Plan (the "Trust") will be exempt from taxation under section 501(a) of the Code. Applicant requests that the Commission assume that the Plan will be found to be qualified under section 401(a) of the Code and the Trust exempt under section 501(a) of the Code.

Applicant states that, under the Plan, contributions to the Plan are determined on an annual basis in Applicant's discretion, but may not exceed the lesser of Applicant's profits for the year in question or an amount equal to 7% of the aggregate covered compensation (as defined in the Plan) of all participating employees in excess of the applicable Social Security wage base. Each participant under the Plan

is permitted, at his option, to make voluntary contributions aggregating up to 10% of his cumulative compensation (not in excess of \$100,000 per year), for all years of participation, subject to applicable limitations under section 415 of the Code.

Applicant represents that the Plan is administered by a committee appointed by Applicant ("the Committee") and consisting, as presently constituted, of two partners and one associate attorney of Applicant. The Committee has the power to determine, among other things, the eligibility of individual employees to participate in the Plan and to receive Plan benefits, the power to construe and apply the provisions of the Plan and promulgate rules and regulations for the administration thereof, and the power to take such other actions as it may reasonably deem necessary or appropriate to administer the Plan.

Applicant states that the assets of the Plan will be held in a trust for the exclusive benefit of Plan participants and their beneficiaries. The present Trustee of the trust is a partner of Applicant. The Plan is funded by a contract between the Trustees of the American Bar Retirement Association Master Trust for Self-Employed Retirement Plans (the "ABRA Master Trust") and the Equitable Life Assurance Society of the United States (the "Equitable Contract"). According to Applicant, under the Equitable Contract, the Trustees of the ABRA Master Trust (who function as sub-trustees to the Plan Trustee of Applicant's Plan) receive contributions made under the Plan and transfer them to Equitable, which, in turn, invests them in either a "fixed account" or an "equity account". Applicant states that interests in the Equitable Contract offered pursuant to the ABRA Master Trust have been registered under the Act, and represents that a current prospectus will be furnished to each participant.

III. DISCUSSION

Applicant states that the exemption from registration provided by section 3(a)(2) of the Act is not available because of the participation in the Plan of Applicant's partners, who are "employees" within the meaning of section 401(c)(1) of the Code. If Applicant's business were organized in corporate form, interests and participations in the Plan would be exempt from registration pursuant to section 3(a)(2) of the Act. Applicant submits that the intent of Congress in drafting section 3(a)(2) of the Act was to prevent the sale, without registration, of interests in mass-marketed plans offered by financial institutions to self-employed persons who might be unable to protect adequately their interests and those of their participating employees.

Applicant's plan is not a mass marketed master or prototype retirement plan, but is, according to Applicant, an individualized plan drafted by attorneys of Applicant itself and covering eligible employees of Applicant only. The Plan is also subject to reporting, disclosure, and fiduciary requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), and Plan participants will receive disclosures about the Plan and its operation required thereunder.

Applicant concludes that under the circumstances, granting the requested exemptive order would be appropriate in the public interest, consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given. That any interested person may, not later than July 10, 1978, 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 upon Applicant at the address stated above. Proof of such service (by affidavit or, in the case of an attorney-at-law, by certificate) shall be filed contemporaneously with the request. An order disposing of the application will be issued as of course following July 10, 1978, 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 any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

[FR Doc. 78-17119 Filed 6-20-78; 8:45 am]

[8010-01]

[Rel. No. 34-14858; File No. SR-MSRB-78-9]

MUNICIPAL SECURITIES RULEMAKING BOARD

Proposed Rule Change

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on June 9, 1978 the above-mentioned self-regulatory organization filed with the Securities and Exchange

Commission a proposed rule change as follows:

STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board (the "Board") is filing a proposed amendment (hereafter referred to as the "proposed rule change") to Board rule G-12(d) which sets forth procedures for resolving discrepancies in confirmations which result in unrecognized transactions. The test of the proposed rule change is as follows:

Rule G-12. Uniform Practice.¹

(a) through (c) No change.
(d) Comparison and Verification of Confirmations; Unrecognized Transactions.
(i) and (ii) No change.

(iii) In the event a party has sent a confirmation of a transaction, but fails to receive a confirmation from the contra party or a notice indicating nonrecognition of the transaction within four business days of the trade date (within six business days of the trade date, in the case of an initial confirmation of a transaction effected on a "when, as and if issued" basis), the confirming party shall promptly seek to ascertain whether a trade occurred. If, after such verification, such party believes that a trade occurred, it shall immediately notify the non-confirming party by telephone to such effect and send within one business day thereafter, a written notice, return receipt requested, to the non-confirming party, indicating failure to confirm. Promptly following receipt of telephone notice from the confirming party, the non-confirming party shall seek to ascertain whether a trade occurred and the terms of the trade. In the event the non-confirming party determines that a trade occurred, it shall immediately notify the confirming party by telephone to such effect and, within one business day thereafter, send a written confirmation of the transaction to the confirming party. In the event a party cannot confirm the trade, such party shall promptly send a written notice, return receipt requested, to the confirming party, indicating nonrecognition of the transaction.

(iv) through (vii) No change. (e) through (1) No change.

STATEMENT OF BASIS AND PURPOSE

The basis and purpose of the foregoing proposed rule change is as follows:

PURPOSE OF PROPOSED RULE CHANGE

Under rule G-12, each party to a transaction must send a confirmation of the transaction to the other party within at least one business day following the trade date, except for transactions effected on a "when, as and if issued" basis, in which case initial confirmations must be sent within two business days following the trade date. Confirmations of "when, as and if issued" transactions are therefore often received after the time confirmations of other transactions would be received. In view of this fact, the proposed rule change extends by two

¹ Italics indicate new language.

business days the time at which a confirming party in a "when, as and if issued" transaction must initiate the verification and comparison procedures prescribed by subparagraph G-12(d)(iii).

BASIS UNDER THE ACT FOR PROPOSED RULE CHANGE

The Board has adopted the proposed rule change pursuant to section 15(B)(b)(2)(C) of the Securities Exchange Act of 1934, as amended (the "Act"), which authorizes and directs the Board to adopt rules which are:

design *** to foster cooperation and coordination with persons engaged in *** clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest. ***

COMMENTS RECEIVED FROM MEMBERS, PARTICIPANTS OR OTHERS ON PROPOSED RULE CHANGE

Written comments were not solicited or received with respect to the proposed rule change. The Board, however, received several oral comments from industry members suggesting that subparagraph G-12(d)(iii) be modified with respect to "when, as and if issued" transactions because initial confirmations of such transactions are often received after the time a confirming party must initiate verification and comparison procedures under the subparagraph. As noted above, rule G-12 permits such confirmations to be sent within two business days following the trade date, as opposed to one business day for confirmations of all other transactions.

BURDEN ON COMPETITION

The Board does not believe that the proposed rule change will impose any burden on competition.

On or before July 26, 1978, or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the above-mentioned self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons desiring to make written submissions should file 6 copies thereof with the Secretary of the Commission, Securities and Exchange Commission, Washington, D.C. 20549. Copies of the filing with respect to the foregoing

and of all written submissions will be available for inspection and copying in the Public Reference Room, 1100 L Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number referenced in the caption above and should be submitted on or before July 12, 1978.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

JUNE 15, 1978.

[FR Doc 78-17120 Filed 6-20-78; 8:45 am]

[8010-01]

[Rel. No. 34-14855; File No. SR-PHLX-78-11]

Philadelphia Stock Exchange, Inc.

Proposed Rule Change

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), as amended by Pub. L. No. 94-29, 16 (June 4, 1975), notice is hereby given that on May 15, 1978, the above-mentioned self-regulatory organization filed with the Securities and Exchange Commission a proposed rule change as follows:

EXCHANGE'S STATEMENT OF TERMS OF SUBSTANCE OF THE PROPOSED RULE CHANGE

The Philadelphia Stock Exchange, Inc. ("PHLX") hereby proposes to amend Rule 1014, Obligations and Restrictions Applicable to Specialists and Registered Options Traders "ROT's". New material is italicized.

.14 Within each quarter an ROT shall spend 50% of the business days on the trading floor of the Exchange and shall trade a specified number of contracts, such number to be determined from time to time by the Committee on Options.

PHLX'S STATEMENT OF PURPOSE

The purpose of the proposed rule change is to insure that ROT's are performing in a manner consistent with their affirmative responsibilities. By establishing minimum requirements that an ROT be present on the floor at least fifty per cent of the business days in a quarter during which such ROT must trade, a specified number of option contracts, as determined by the Committee on Options, this rule encourages option markets which are deeper, more liquid and more competitive.

PHLX'S STATEMENT OF STATUTORY BASIS

The basis for the proposed rule change is found in Section 6(b)(5) of

the Securities Exchange Act of 1934, which provides, in pertinent part, that the rules of the Exchange be designed to facilitate transactions in securities and to protect investors and the public interest.

The PHLX has neither solicited nor received comments on the proposal.

The PHLX believes that the proposed rule change will not impose any burden on competition.

On or before July 26, 1978 or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the above-mentioned self-regulatory organization consents, the Commission will:

(a) by order approve such proposed rule change, or

(b) institute proceedings to determine whether the proposed rule change should be disapproved.

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons desiring to make written submissions should file 6 copies thereof with the Secretary of the Commission, Washington, D.C. 20549. Copies of the filing with respect to the foregoing and of all written submissions will be available for inspection and copying in the Public Reference Room, 1100 L Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number referenced in the caption above and should be submitted on or before July 12, 1978.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

JUNE 15, 1978.

[FR Doc. 78-17121 Filed 6-20-78; 8:45 am]

[8010-01]

[Release No. 34-14854, S7-744]

MARKET STRUCTURE ISSUES CONCERNING STANDARDIZED OPTIONS TRADING

Request For Public Comments

AGENCY: Securities and Exchange Commission.

ACTION: Request for public comments concerning market structure issues relating to the trading of standardized options.

SUMMARY: The Commission today authorized the Special Study of the Options Markets to invite public comments concerning numerous issues relating to the structure of the stan-

dardized options markets. Among other things, the Commission authorized the Study to request public comments with regard to (i) the extent to which the trading of standardized options and their underlying securities should be integrated on an exchange floor, (ii) whether, and under what circumstances, standardized options should be traded in the over-the-counter markets, and (iii) whether the New York Exchange should be permitted to list and trade standardized options.

DATES: Comments should be received by August 21, 1978.

ADDRESSES: Interested persons should submit six copies of their views and comments to George A. Fistsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, NW., Washington, D.C. 20549 and should refer to File No. S7-744. All submissions will be made available for public inspection at the Commission's Public Reference Section, Room 6101, 1100 L Street, NW., Washington, D.C.

FOR FURTHER INFORMATION CONTACT:

Richard I. Weingarten, Esq. (202-755-1284); or Richard G. Ketchum, Esq. (202-755-1316). Special Study of the Options Markets Securities and Exchange Commission, 500 North Capitol Street, NW., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION:

INDEX

I. INTRODUCTION

II. THE NEW PROGRAM PROPOSALS

- A. The NYSE Proposal
- B. The CBOE Proposal
- C. The NASD Proposal

III. THE ISSUES PRESENTED

A. The Extent to Which the Trading of Standardized Options and Their Underlying Securities Should be Integrated on an Exchange Floor

1. Side-by-Side Trading on an Exchange Floor

- a. Pricing and Operational Efficiencies
- b. Competitive Advantage and Market Information
- c. Manipulation
- d. Surveillance

2. Dual Marketmaking on an Exchange Floor

- a. Pricing and Operational Efficiencies
- b. Potential Conflicts in Marketmaking Obligations

c. Competitive Advantage and Market Information

- d. Manipulation
- e. Surveillance

B. Whether Standardized Options Should be Traded in the Over-the-Counter Markets

- 1. Real-time Last Sale Reporting in the Over-the-Counter Markets
- 2. Integrating the Trading of Standardized Options and Their Underlying Securities in the Over-the-Counter Markets.

a. Market Information and Manipulation

b. Marketmaking Obligations and Commitment to the Marketplace

c. Surveillance

3. Trading Exchange Listed Options in the Over-the-Counter Markets

C. Whether the New York Stock Exchange Should be Permitted to List and Trade Standardized Options

- 1. Dual Trading and the NYSE
- 2. The Predominant Position of the NYSE in the Markets for Underlying Securities

IV. PROCEDURES

V. STATUTORY AUTHORITY

I. INTRODUCTION

Securities Exchange Act Release No. 14056 announced the commencement of the Commission's investigation and study of the options markets.¹ The investigation and study were initiated because of Commission concern regarding:

(1) The present ability of the self-regulatory organizations' surveillance systems to detect and prevent fraudulent, deceptive, and manipulative activity, both in options and in underlying securities, in a manner which is consistent with the protection of investors and that complies with the requirements of the Act; (2) the adequacy of existing Commission and self-regulatory organization rules to prevent fraudulent, deceptive and manipulative acts, practices, devices and contrivances in connection with options trading; (3) the development of the standardized options markets in a manner which is consistent with the public interest in perfection of the mechanisms of a national market system for securities and prevention of securities trading which adversely affects the financing of trade, industry and transportation in interstate commerce; and (4) the development of appropriate standards, formulated with reference to the purposes of the Act, by which to measure the appropriateness of particular programs which would have the effect of expanding or altering existing pilot options trading programs.²

In addition, the Commission stated its view that "experience with existing pilot options trading programs has not yielded answers to certain general questions bearing upon the future of standardized options trading,"³ such questions including "how to develop standards by which to gauge, on a case-by-case basis, the appropriateness of particular self-regulatory organization proposals to expand options trading" and "how such trading can or should be comprehended within the national market system for securities contemplated by the Act."⁴ The Com-

¹ Securities Exchange Act Release No. 14056 (October 17, 1977), 42 FR 56706 (October 27, 1977), 13 SEC Docket 366 (November 2, 1977) ("The October Release").

² *Id.*, 42 FR at 56706, 13 SEC Docket at 367.

³ *Id.*, 42 FR at 56707, 13 SEC Docket at 369.

⁴ *Id.* See also Securities Exchange Act Release No. 14416 (January 26, 1978), 43 FR 4353 (February 1, 1978), 14 SEC Docket 31 (February 7, 1978) ("The January Release"). In Release No. 14416 the Commission set forth its views with regard to the

mission expressed its intention "to investigate" and "receive comments on" these questions.⁵ Simultaneously, the Commission announced and invited public comment on proposed Temporary Rule 9b-1(T) which, if adopted, "would temporarily defer the expansion of existing pilot options trading programs and the initiation of new programs, pending completion of the study and investigation,"⁶ and announced the initiation of a consolidated disapproval proceeding with regard to certain pending self-regulatory organization rule proposals designed to expand standardized options trading ("Expansion Proposals").⁷

In its release announcing the consolidated disapproval proceeding,⁸ the Commission noted that each of the rulemaking proposals subject to the proceeding would "provide for an expansion of options trading activities . . . either by providing for the expansion of an existing program for the trading of standardized options or by initiating a new program for the trading of such options."⁹ The Commission also observed that the pending proposals "raise, in an ad hoc, piecemeal fashion, concerns that are the subject of the Commission's investigation and study,"¹⁰ and stated:

As an administrative and regulatory matter, fragmented, case-by-case consideration of these important issues appears unsound, and potentially damaging to investor protection and the public interest. In addition, it appears to the Commission that, in order to approve any of the expansion proposals, the Commission would have to

initiate that must be taken to facilitate the development of a national market system for "qualified" securities. Those initiatives are a consolidated transaction reporting system, a composite quotation system, a market linkage and order routing system that would permit the prompt and efficient transmission of orders (i) among the various markets for qualified securities and (ii) from brokers and dealers to all qualified markets, and a central limit order file to protect public limit orders on a nationwide basis. The Commission explicitly deferred the question of whether, and the extent to which, options should be integrated into a national market system. *Id.*, 43 FR at 4361, 14 SEC Docket at 44. The Commission also stated its intention to initiate a rulemaking proceeding not later than June 30, 1978 for the purpose of designating certain categories of securities as "qualified" for trading in a national market system. *Id.*, 43 FR at 4360-4361, 14 SEC Docket at 43.

⁵ The October Release, 42 FR at 56707, 13 SEC Docket at 369.

⁶ *Id.*, 42 FR at 56706, 13 SEC Docket at 367.

⁷ *Id.*, 42 FR at 56706, 56710, 13 SEC Docket at 367, 373.

⁸ Securities Exchange Act Release No. 14057 (October 17, 1977), 42 FR 56711 (October 27, 1977), 13 SEC Docket 375 (November 2, 1977) ("The Consolidated Disapproval Proceeding Release").

⁹ *Id.*, 42 FR at 56711, 13 SEC Docket at 377.

¹⁰ *Id.*, 42 FR at 56712, 13 SEC Docket at 377.

answer many of the same questions that are the subject of the options investigation and study it has authorized and announced in the Release. Thus, it appears that, until the study and investigation are completed, the Commission may not be able to make the required findings for approval of the Expansion Proposals.¹¹

The Commission concluded that, in view of the concerns expressed in the October Release and "the nature and complexity of the questions that have been raised,"¹² the self-regulatory organizations had not sustained their statutory burden, imposed by Section 19(b) of the Securities Exchange Act ("the Act"),¹³ of demonstrating that their proposed rule changes were consistent with the requirements of the Act and the rules and regulations thereunder.¹⁴

The Commission stated, however, that the "consolidated disapproval proceedings are not intended to deal comprehensively with every potential basis for considering disapproval of the various Expansion Proposals."¹⁵ Rather, the Commission took the view that the concerns that it had expressed in the October Release and the Consolidated Disapproval Proceeding Release, "considered alone," were sufficient to "presently preclude it from making the findings which are a prerequisite under Section 19(b) of the Act to approval of the Expansion Proposals."¹⁶ In this connection, the Commission noted that disapproval on the basis of the concerns expressed "should not be construed to bar further consideration of the Expansion Proposals at some time in the future, under other circumstances, assuming satisfactory resolution of those issues which not prevent the Commission from finding that the Expansion Proposals are consistent with the requirements of the Act and the rules and regulations thereunder."¹⁷

Among the rule proposals that are subject to the consolidated disapproval proceedings are the proposals of the National Association of Securities Dealers ("NASD")¹⁸ and the New York Stock Exchange ("NYSE")¹⁹ to initiate trading programs in standardized op-

tions and the proposal of the Chicago Board Options Exchange ("CBOE")²⁰ to initiate trading in equity and other non-option securities. Each of these proposals presents significant issues concerning the future structure of the options markets and the markets for their underlying securities. Various other proposals included in the consolidated disapproval proceeding raise related structural issues. Among these are the proposals of various exchanges (i) to list standardized options on over-the-counter securities,²¹ (ii) to eliminate the requirement that a physical barrier be maintained between the trading of options and their underlying securities on an exchange floor,²² and (iii) to permit individuals to hold simultaneous marketmaker appointments in listed options and their underlying securities under certain circumstances.²³

Although these proposals are the subjects of a disapproval proceeding pending before the Commission, the issues that they present are also the subjects of investigation and study by the Special Study of the Options Markets ("The Options Study"). As a result, recognizing the public interest in many of the questions that the proposals raise, the effects that resolution of these questions may have upon the structure of the options markets and the markets for their underlying securities, and the need to establish a framework within which to evaluate such proposals, the Commission has authorized the Options Study to seek public comments on these issues at this time. The Options Study is soliciting public views for the purpose of facilitating analysis of these issues as part of its study of the options markets. The proposals are utilized to focus issues and discussion and as indicative of proposals that may entail

significant modifications to the structure of the standardized options markets and the markets for their underlying securities.²⁴

This Release will describe briefly the Expansion Proposals that present issues of market structure, focusing upon the NASD and NYSE proposals to initiate standardized options trading programs and the CBOE proposal to initiate trading programs for equity and other non-option securities. In addition, it will discuss some of the issues that these proposals raise and will identify specific questions with regard to which public comments are invited.²⁵

II. THE NEW PROGRAM PROPOSALS

A. THE NYSE PROPOSAL

The New York Stock Exchange submitted a plan in June, 1977 to list and trade standardized options.²⁶ The NYSE proposes to implement an options trading system which would be similar to that of the CBOE. Under the NYSE Plan, the Options Clearing Corporation ("OCC") would be the issuer and primary obligor of option contracts listed on the NYSE. The marketmaking function on the exchange floor would be performed by competing option marketmakers. As on all option exchanges utilizing a competing marketmaker system, the transactions of each marketmaker would be required to be "reasonably

²⁴In this connection, it should be noted that the Commission has authorized the Options Study to invite public comment with respect to the market structure issues that the Expansion Proposals present independently of the pending consolidated disapproval proceeding. Interested persons should be aware, however, that the Commission may utilize comments submitted in response to this Release in connection with its deliberations concerning that proceeding or, at some later date, when evaluating market structure issues that other proposals or circumstances present.

²⁵It must be emphasized that this Release has a relatively narrow objective. It is intended to obtain public comment with respect to various market structure issues raised by certain of the Expansion Proposals and not to solicit views concerning all market structure issues relating to options that are pending before, or may be presented to, the Commission. The Options Study, for example, has not requested specific comments with regard to the form that a national market system for options might take, or the extent to which, as a general matter, options should be integrated into the national market system for "qualified" securities. See n. 4, *supra*. Although public comment concerning such issues may ultimately be necessary, and is not discouraged at this time, this Release will focus exclusively upon the market structure issues that the Expansion Proposals present and will invite public comments on national market system questions only insofar as they relate to those issues.

²⁶NYSE Plan, *supra*, n. 19.

²⁰SR-CBOE-77-14. ("CBOE Plan"). The Commission gave notice of the CBOE Plan in Securities Exchange Act Release No. 13672 (June 24, 1977), 42 FR 33825 (July 1, 1977).

²¹SR-PSE-76-17; SR-CBOE-76-16; SR-AMEX-76-28; SR-MSE-77-4. The Commission gave notice of these proposed rule changes in Securities Exchange Act Release No. 12539 (June 11, 1976), 41 FR 24787 (June 18, 1976), No. 12703 (August 12, 1976), 41 FR 35884 (August 23, 1976), No. 13095 (December 22, 1976), 42 FR 2146 (January 10, 1977), and No. 13406 (March 25, 1977), 42 FR 19200 (April 12, 1977).

²²SR-PHLX-77-6; SR-PSE-77-13. The Commission gave notice of these proposed rule changes in Securities Exchange Act Release No. 13689 (June 28, 1977), 42 FR 34561 (July 6, 1977) and No. 13567 (May 23, 1977), 42 FR 28178 (June 2, 1977).

²³SR-MSE-77-28; SR-PSE-77-17. The Commission gave notice of these proposed rule changes in Securities Exchange Act Release No. 13707 (June 30, 1977), 42 FR 35718 (July 11, 1977), and No. 13725 (July 7, 1977), 42 FR 37083 (July 19, 1977).

¹¹Id.

¹²Id.

¹³15 U.S.C. 78s(b).

¹⁴The Consolidated Disapproval Proceeding Release, 42 FR at 56712, 13 SEC Docket at 377-378.

¹⁵Id., 42 FR at 56712, 13 SEC Docket at 378.

¹⁶Id.

¹⁷Id.

¹⁸SR-NASD-77-2. ("NASD Plan"). The Commission gave notice of the NASD Plan in Securities Exchange Act Release No. 13230 (February 1, 1977), 42 FR 8244 (February 9, 1977).

¹⁹SR-NYSE-77-17. ("NYSE Plan"). The Commission gave notice of the NYSE Plan in Securities Exchange Act Release No. 13674 (June 24, 1977), 42 FR 33829 (July 1, 1977).

calculated to contribute to the maintenance of a fair and orderly market," and no marketmaker would be permitted to "enter into transactions or make bids or offers that (would be) inconsistent with such a course of dealings." ²⁷ The Marketmakers also would be subject to trading rules analogous to those of other option exchanges utilizing a competing marketmaker system. Limited orders would be handled and executed by Order Book Officials employed by the exchange, and such Officials would not be permitted to trade for their own account.

The NYSE proposes to commence its option program by listing options on twenty-five underlying securities. The NYSE indicates that many of these underlying securities are listed and traded on the NYSE and that it intends to list classes and series of options, including puts, that are already listed and traded on one or more option exchanges. ²⁸

Most of the NYSE options would be traded in a room physically separated from the equity trading floor by a ceiling-high solid wall. Since the option room, however, would not have contained sufficient space for the trading of options on all twenty-five underlying securities, the NYSE plans to convert one post in the main equity trading room to an option trading post. The NYSE represents that no option would be assigned to the option post in the main equity trading room if the underlying stock is also traded in that room. The Exchange has not indicated that it intends any changes in its methods of trading equity securities in order to accommodate option trading.

B. THE CBOE PROPOSAL

The Chicago Board Options Exchange submitted a proposal that would permit the trading on its floor of stocks and other securities ex-

changeable or convertible into those stocks. ²⁹ Currently, only standardized options are traded on the CBOE floor.

The CBOE Plan proposes to utilize a competing marketmaker system for the trading of stock and other non-option securities. This system, like the CBOE options market, would depend upon multiple marketmakers, with marketmaking obligations identical to those currently imposed upon registered CBOE option marketmakers, ³⁰ to perform the marketmaking function. Also like the CBOE options market, limit orders would be handled and executed by independent Board Brokers who would perform no marketmaking function and would not be permitted to trade for their own account. Significantly, the CBOE Plan would permit a member to be a marketmaker in both an option and its underlying security simultaneously ³¹ and would allow the trading of options and their underlying securities at the same physical location. ³² The integration of marketmaking functions for standardized options and their underlying securities has not been allowed on any exchange floor. ³³ Nor have standardized options and their underlying securities been permitted to be traded at the same physical location on any exchange floor. ³⁴

C. THE NASD PROPOSAL

The NASD submitted a proposal to permit the display and insertion of quotations with regard to qualified and approved standardized options ("NASDAQ options") on the NASDAQ securities quotation system. ³⁵ As is the

case for all standardized options, the OCC would be the issuer and primary obligor of NASDAQ options, and such options would be standardized as to exercise price, expiration date and unit of trading. Because the NASD Plan contemplates the trading of standardized options in over-the-counter markets, however, the mechanics and structure of such trading would be substantially different in certain respects from the forms of trading utilized in the exchange option markets today.

The NASDAQ System, a network of computers, communications and terminal devices designed to accept and distribute quotations for over-the-counter securities, would be modified to accommodate the display of NASDAQ options quotations. Similar to the existing NASDAQ system, three levels of service would be offered with regard to NASDAQ options. Level I terminals would provide public customers with current representative bid and ask quotations ³⁶ for all NASDAQ options in which at least two NASDAQ option marketmakers are currently making a market. Level II terminals would be available only to approved subscribers and would display the most recently entered quota-

qualified and approved NASDAQ options be registered pursuant to Sections 12(b), 12(g)(1), or 12(g)(2)(6) of the Act, 15 U.S.C. 781(b); 15 U.S.C. 781(g)(1); 15 U.S.C. 781(g)(2)(6). The Plan also requires that the issuer of the underlying securities be in compliance with Sections 13 and 14 of the Act, 15 U.S.C. 78m, 15 U.S.C. 78n, and, among other things, have a new income, after taxes but before extraordinary items net of tax effect, of at least \$1,000,000 in each fiscal year in three out of the last four fiscal years. In addition, the Plan would require that (i) an issuer of underlying securities have at least 8,000,000 shares owned by persons other than those required to report their stock holdings under Section 16(a) of the Act, 15 U.S.C. 78p(a), (ii) there be at least 10,000 beneficial owners of the underlying security, (iii) aggregate trading volume reported to the NASDAQ system and/or on the exchanges on which the underlying security is listed of at least 2,000,000 shares per year in each of the two previous calendar years, and (iv) a representative bid of at least \$10 per share had been recorded for the underlying security on NASDAQ or an exchange on each business day of the six calendar months preceding the date of selection. See NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 6.

³⁶ Similar to the definitions utilized in NASDAQ generally, the NASD defines "representative bid" for a NASDAQ option as the median of all bids entered into the NASDAQ system by NASDAQ options marketmakers. The "representative ask" for a NASDAQ option is defined as the figure determined by adding to the representative bid the median of all spreads between the bid and ask prices currently quoted by NASDAQ options marketmakers. See NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 1(d).

²⁷ NYSE Plan, Proposed Rule 757(f). See also, CBOE Rule 8.7(a); MSE Article XLVII, Rule 6(a); PSE Rule VI, Section 79(a). In addition, with respect to each class of options in which he would have been registered, each NYSE options marketmaker would have had "a continuous obligation to engage, to a reasonable degree under the existing circumstances, in dealings for his own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationship between option contracts of the same class." NYSE Plan, Proposed Rule 757(f). See also CBOE Rule 8.7(b); MSE Article XLVII, Rule 6(b); PSE Rule VI, Section 79(b).

²⁸ The trading of options of the same class, exercise price, and expiration date on more than one options exchange will be referred to as "dual option trading" or "dual trading." See Securities Exchange Act Release No. 13325 (March 3, 1977), 42 FR 13099 (March 8, 1977).

²⁹ CBOE Plan, *supra*, n. 20.

³⁰ CBOE Plan, Proposed Rule 8.7. See also n. 27, *supra*, and text and discussion at Section III(A)(2)(b), *infra*.

³¹ Simultaneous marketmaking in an option and its underlying security by the same person or firm will be referred to as "dual marketmaking."

³² Trading derivative and underlying securities at the same physical location will be referred to as "side-by-side trading." This practice has also been referred to as "contiguous trading." It should be noted that side-by-side trading does not necessarily contemplate, and, for the purposes of this Release does not contemplate, a dual marketmaking environment.

³³ See, e.g., Securities Exchange Act Release No. 10312 (August 1, 1973), 38 FR 21459 (August 8, 1973), No. 13269 (February 16, 1977), 42 FR 10754 (February 23, 1977), No. 13270 (February 16, 1977), 42 FR 10752 (February 23, 1977), No. 13271 (February 16, 1977), 42 FR 10750 (February 23, 1977), and No. 13272 (February 16, 1977), 42 FR 10749 (February 23, 1977). See also, e.g., NYSE Rule 105 and AMEX Rule 175(a).

³⁴ See, e.g., Securities Exchange Act Release No. 11423 (May 15, 1975), No. 12283 (March 30, 1976), 41 FR 14454 (April 5, 1976), and No. 13045 (December 8, 1976), 41 FR 54783 (December 15, 1976).

³⁵ NASD Plan, *supra*, n. 18. The Plan would require that securities underlying

tions of each registered NASDAQ options marketmaker as well as the representative bid and ask quotation for each NASDAQ option. Level III terminals, available only to registered NASDAQ marketmakers, would provide NASDAQ options marketmakers with the same information available on Level II terminals and also would permit registered marketmakers to enter or update their quotations for any NASDAQ option.

The NASD expects to begin its program by permitting the trading of NASDAQ options on twenty underlying securities. The Association indicates that most of these underlying securities are traded solely in the over-the-counter markets. It also indicates, however, that standardized options on exchange listed securities might eventually be added as NASDAQ options, perhaps including certain options already listed and traded on one or more option exchanges. Thus, the NASD Plan contemplates the creation of a "third market" for listed, standardized options issued by the OCC, a market which does not appear to exist at present.

Secondary markets for NASDAQ options would be maintained in a manner comparable to the secondary markets for NASDAQ stocks. Marketmakers, specially qualified and registered with the NASD to trade NASDAQ options, would make over-the-counter markets in such options and would purchase and write NASDAQ options for their own accounts. Real-time reporting of last sale transactions in securities underlying NASDAQ options would not be required, as it is not required for NASDAQ stocks that are traded exclusively in the over-the-counter markets. NASD members, however, would be required to time stamp all trade tickets on transactions in underlying over-the-counter securities at the time of execution³⁷ and to transmit last sale information to the NASD on such transactions during the course of a trading day by 6:30 p.m. Eastern Time.³⁸ Last sale information on underlying securities would be used by the NASD strictly for surveillance purposes and would not be publicly disseminated.³⁹ Real-time last sale reporting of NASDAQ options transactions,

however, would be required of all NASD members, and such information would be publicly disseminated through the Options Price Reporting Authority ("OPRA").⁴⁰

While the last sale reports on underlying securities would not be required to be real-time under the NASD Plan, such reports would contain information regarding the time of execution, the price at which the transaction occurred, the number of shares bought or sold, and the identity of the reporting broker or dealer, contra party and the clearing agency for both. The NASD has stated that it believes that such a reporting system would permit it to maintain a comprehensive transaction audit trail and obviate, in large part, the need to examine order tickets to ascertain transaction information.

NASDAQ options marketmakers would be required to submit continuous two-sided quotations for the NASDAQ options for which they assume marketing responsibilities. Their quotations would be required to be firm for at least one contract and "reasonably related to the then prevailing market."⁴¹ The Plan, however, would not impose an obligation upon NASDAQ option marketmakers, similar to that imposed upon all exchange marketmakers, to deal when there exists a lack of price continuity, a temporary disparity between the supply of and demand for an option contract, or a temporary distortion of the price relationships between option contracts of the same class.⁴² In addition, NASDAQ marketmakers would be permitted, with the approval of the NASD, to suspend quotations upon a showing that their ability to enter quotations has been seriously impaired,⁴³ and would be able to terminate their registration as a NASDAQ marketmaker in a particular option series voluntarily merely by withdrawing their quotations.⁴⁴ Reregistration as a marketmaker would be permitted at any time upon the filing of an application for reregistration⁴⁵ and NASD approval.

³⁷See NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 3(g)(1). OPRA presently transmits to the public, on a real-time basis, last sale information with regard to transactions in standardized options traded on exchanges.

³⁸See NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 3(k).

³⁹See, e.g., CBOE Rule 8.7(b); AMEX Rules 170 and 958; PHLX Rules 1014(f) and 1020(b); PSE Rule VI, Section 79(b); MSE Article XLVII, Rule 6(b). See n. 27, *supra*.

⁴⁰Such a suspension of quotations would not necessitate the termination of the marketmaker's registration as a NASDAQ marketmaker for the security involved.

⁴¹NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 3(k).

⁴²The NASD Plan suggests that the same standards would be applied in evaluating ap-

Like the CBOE Plan, the NASD Plan would allow registered marketmakers to make markets simultaneously in a NASDAQ option and its underlying security. Further, the NASD Plan contains no requirement that a firm engaged in dual market-making physically separate the persons trading the options from the persons trading the underlying security.

III. THE ISSUES PRESENTED

The proposals described above present a number of fundamental issues regarding the structure of the options markets and the relationship of those markets to the markets for their underlying securities. Public comments are invited with respect to these issues since they raise complex questions of public policy. A brief discussion of certain of these issues is provided to stimulate and focus public comments.⁴⁶ Reference that may be made to the NYSE, CBOE, and NASD Plans or to other Expansion Proposals is intended merely to be illustrative of the manner in which the market structure issues discussed have been raised and may be raised in the future.

In evaluating public comments and the issues that the Expansion Proposals present, the Options Study and the Commission must be guided by the statutory standards that the Act sets forth. Specifically, it should be noted that the Act requires that each registered national securities exchange and association be organized and have the capacity "to carry out the purposes of [the Act] and to comply, and * * * to enforce compliance by its members and persons associated with its members, with the provisions of [the Act], the rules and regulations thereunder," and the rules of the exchange or association.⁴⁷ The Act also requires that the rules of registered securities exchanges and associations be designed "to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, * * * to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest."⁴⁸ Further, such rules may not be designed "to permit unfair discrimination be-

lications for reregistration as would be utilized in connection with initial applications. NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 3(j)(4).

⁴⁶Due to the number and difficulty of the issues that the proposals raise and that are discussed in this Release, the Options Study recognizes that commentators may not wish to submit views concerning each of these issues. In this regard, members of the public are encouraged to submit comments with respect to all or some of the subjects presented.

⁴⁷15 U.S.C. 78f(b)(1); 15 U.S.C. 78o-3(b)(2).

⁴⁸15 U.S.C. 78f(b)(5), 15 U.S.C. 78o-3(b)(6).

³⁷See, e.g., 17 CFR 240.17a-3(6), (7).

³⁸NASD members would be permitted to make such last sale reports on a weekly basis where their transactions in all underlying over-the-counter securities does not exceed five hundred shares in any single trading day and has not exceeded five hundred shares for any five of the previous ten trading days. See NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 3(g).

³⁹Aggregate daily volume for each security underlying NASDAQ options, however, would be released to the public.

tween customers, issuers, brokers, or dealers" or to impose "any burden on competition not necessary or appropriate in furtherance of the purposes of (the Act)." Finally, the Act states:

It is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure—

(i) economically efficient execution of securities transactions;

(ii) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets;

(iii) the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities;

(iv) the practicability of brokers executing investors' orders in the best market; and

(v) an opportunity, consistent with the provisions of clauses (i) and (iv) of this subparagraph, for investors' orders to be executed without the participation of a dealer.⁵⁰

Public comments should be formulated in light of these and other relevant statutory standards.

A. THE EXTENT TO WHICH THE TRADING OF STANDARDIZED OPTIONS AND THEIR UNDERLYING SECURITIES SHOULD BE INTEGRATED ON AN EXCHANGE FLOOR

Many of the Expansion Proposals seek to integrate further the markets for options and their underlying securities. While some proposals simply seek to eliminate the physical barriers between the trading floors for standardized options and their underlying securities,⁵¹ the CBOE and NASD Plans contemplate side-by-side trading and dual marketmaking in options and their underlying securities on exchange floors and in the over-the-counter markets. This tendency toward integration appears to result because (i) option prices to a large extent are dependent upon, and derivative from, the prices of their underlying securities, and (ii) integrating stock and option trading may enhance the liquidity of both stock and option markets. The extent to which the trading of options and their underlying securities should be integrated on an exchange floor will be discussed in the following section of this Release.⁵²

⁵⁰ 15 U.S.C. 78f(b)(5), (8); 15 U.S.C. 78o-3(b)(6), (9).

⁵¹ 15 U.S.C. 78k-1(a)(1)(C).

⁵² SR-PSE-77-13; SR-PHLX-77-6. See n. 22, *supra*.

⁵³ It must be recognized, of course, that many standardized options and their underlying securities are currently traded simultaneously on more than one exchange floor. Underlying securities may also be traded in the over-the-counter market. Further, one exchange may frequently attract substantially more order flow for an option or an underlying security than other exchanges that permit the trading of the same security. Commentators should consider the issues discussed in this section in light of the existence of such multiple trading

Side-by-side trading on an exchange floor will be discussed first. A discussion of dual marketmaking on the floor of an exchange will follow. The extent to which trading of options and their underlying securities should be integrated in the over-the-counter markets will be discussed in a subsequent section.

1. Side-by-Side Trading on an Exchange Floor⁵³

a. Pricing and Operational Efficiencies

Trading options and their underlying

forums and their differing abilities to attract order flow. An exchange that is able to attract substantially more order flow for an option or an underlying security than other exchanges that permit the trading of the same security will be referred to as the "primary exchange" or "primary exchange market" for that security. Exchanges other than the primary exchange that permit the trading of the same security will be referred to as "secondary exchanges" or "secondary exchange markets."

Pursuant to Securities Exchange Act Release No. 10312 (August 1, 1973), 38 FR 21459 (August 8, 1973), the Commission conducted a review of option trading by specialists, marketmakers, floor traders, and block positioners and invited public comment concerning whether such market participants "should be permitted to trade or otherwise have an interest in options (puts and calls) in any securities in which they are registered, make a market, or trade for their own accounts on exchanges, either from on or off the floor or in the over-the-counter market." This review resulted primarily from the initiation of standardized option trading on the CBOE and from the existence of rules on each securities exchange, adopted at the Commission's request in 1935, which provided that specialists and odd-lot dealers and their firms and partners were not to "acquire, hold or grant, directly or indirectly, any interest in a put, call, straddle, or option in any security in which such specialist or odd-lot dealer is registered."

Subsequently, the Commission determined to permit specialists and odd-lot dealers on the floors of the secondary stock exchanges to trade listed options on their specialty stocks and to allow floor traders on those exchanges to trade listed options with respect to underlying securities in which they held a position. See, e.g., Securities Exchange Act Release No. 13269 (February 16, 1977), 42 FR 10754 (February 23, 1977), No. 13270 (February 16, 1977), 42 FR 10752 (February 23, 1977), and No. 13272 (February 16, 1977), 42 FR 10749 (February 23, 1977). The Commission was of the view that the potential for manipulative activity that might result from such "concurrent trading" was "relatively insignificant" on the secondary exchanges due to the small percentage of stock order flow directed to them.

The Commission, however, has not yet permitted the specialists and registered stock marketmakers on the primary stock exchanges to engage in the concurrent trading of listed options and their specialty securities or securities in which they hold positions. See, e.g., SR-NYSE-76-54, Securities Exchange Act Release No. 12924 (October 27, 1976), 41 FR 48430 (November 3, 1976).

ing securities at the same physical location on an exchange floor may result in significant option pricing efficiencies. In addition, operational efficiencies in both stock and option trading may be achieved. Option pricing efficiencies may be obtained because side-by-side trading would permit option marketmakers to adjust their quotations immediately upon observing changes in the price or volatility of the underlying security. Changes in the supply of and demand for the underlying security that could be observed on the exchange floor could also be taken into consideration. Presently, option marketmakers are dependent upon the public dissemination of transaction and quotation information with regard to the underlying security when making option pricing decisions. Since there may be some delay between the consummation of a transaction or the modification of a quotation and the transmission of this information to the public and to market professionals, trading options and their underlying securities at the same physical location may allow options marketmakers to assimilate pricing

The discussion of side-by-side trading that follows assumes that concurrent trading would be permitted only to the extent that it is permitted today and that exchange rules prohibiting specialists and marketmakers from engaging in transactions in options and their underlying securities at the same time would remain in effect. See, e.g., NYSE Rule 105 and AMEX Rule 175. Because concurrent trading does not necessitate the integration of trading in listed options and their underlying securities at the same physical location, it is a separable issue from, and has not been discussed in connection with, side-by-side trading.

Concurrent trading, however, and the distinctions that have been drawn between primary and secondary exchange market specialists and registered stock marketmakers, present issues with respect to the extent to which stock and option trading should be integrated. Accordingly, public comment on these subjects is invited at this time. In particular, commentators should discuss whether specialists and registered stock marketmakers on the primary exchange for an underlying security should be permitted to trade listed options on their specialty stocks or stocks in which they hold a position, and, if so, under what circumstances. Any additional potentials for manipulation and misuse of market information that such concurrent trading may create should be discussed specifically and by means of example where appropriate. Also, commentators should consider whether concurrent trading by specialists and registered stock marketmakers on (i) the primary and (ii) secondary stock exchanges is appropriate in a side-by-side trading environment. Finally, public views are requested concerning whether the ability of upstairs traders and options marketmakers to trade options and their underlying securities concurrently presents a disparity in regulation or a burden on competition that is unnecessary or inappropriate.

and volatility changes in the underlying security more rapidly. This more rapid assimilation of pricing information may also facilitate more expeditious dissemination of option quotation information to the public that would more accurately reflect underlying security prices and option values since option marketmaker quotations would be based upon more recent and complete transaction and quotation information with respect to the underlying security.

These option pricing efficiencies may be most apparent if side-by-side trading is permitted on the primary exchange for the underlying security because the price of and quotations for the underlying security on that exchange may be most frequently utilized in determining option values. In fact, significant option pricing efficiencies may not result if side-by-side trading is permitted only on the secondary exchanges for the underlying security since option marketmakers on those exchanges may continue to depend upon publicly disseminated transaction and quotation information from the primary stock exchange for the underlying security when making option pricing decisions.⁵⁴

On the other hand, it might be contended that side-by-side trading will not result in option pricing efficiencies, even on the primary exchange for the underlying security. It may be, for example, that option marketmakers trading in the same place that the underlying security is trading would not be able to observe trading and assimilate transaction and quotation information in the options and their underlying security simultaneously. In particular, activity in the market for the underlying security may compel an option marketmaker to concentrate exclusively upon the resultant activity in the options markets and to rely upon transaction and quotation information about the underlying security that has been publicly disseminated and is displayed on the monitors at the option trading post. Because this information would also be displayed at all trading posts for the underlying security and the related options, as well as to the investing public and other market professionals, the option marketmaker may not be able to price his options more efficiently than at present. In addition, the existence of multiple markets for an underlying security may hinder option pricing efficiency that would otherwise be obtainable since order flow for the underlying security may be distributed among the

numerous markets. Due to this dispersion of order flow, option marketmakers, including those on the primary exchange for the underlying security, may not be able to rely solely upon transaction and quotation information concerning the underlying security obtained from the floor of the exchange upon which they are trading when determining option values.

Public comment is invited concerning these issues. Specifically, commentators should discuss whether side-by-side trading on the primary exchange for an underlying security is likely to result in pricing efficiencies with respect to the options related to that security. Commentators expressing the view that such pricing efficiencies would result should describe the efficiencies and explain the reasons for them. Commentators should compare efficiencies that might be obtained if side-by-side trading is permitted (i) on the primary exchange for an underlying security, (ii) on the primary exchange for an option, (iii) on an exchange which is primary for both an underlying security and its related options, and (iv) on other exchanges. The effect that trading an underlying security in numerous markets may have upon option pricing efficiencies that may be obtained as a result of side-by-side trading should also be discussed.

Public views are also invited with regard to whether side-by-side trading, particularly if permitted on the primary exchange market for an underlying security or the primary exchange market for an option, may result in pricing efficiencies with respect to underlying securities.⁵⁵ Further, commentators should discuss what effect, if any, stock and option pricing efficiencies that may be derived from side-by-side trading would have upon the markets for both securities.⁵⁶

⁵⁴It may be, for example, that the pricing efficiency for underlying securities would be enhanced by side-by-side trading because stock marketmakers would be able to observe option trading that might indicate that purchasing or selling of the stock would be likely to occur. As a result, stock marketmakers may be able to anticipate changes in the supply of and demand for the stock more accurately and more rapidly and to adjust their stock quotations accordingly.

⁵⁵It might be contended, for example, that increasing the pricing efficiency in the markets for options and for their underlying securities will improve the liquidity of the markets for both securities. This result may obtain because increasing stock and option pricing efficiency may permit stock and option marketmakers to reduce the risks that their marketmaking activities entail. These risks may be reduced because marketmakers, particularly on an exchange which is primary for both an underlying security and its related options, may be more certain that their transactions and quotations reflect more recent and complete order, trans-

action and quotation information concerning both the stock and its related options. With reduced risks, stock and option marketmakers may be able to narrow the spreads in their quotations, and, by bidding and offering in greater size, to accumulate larger positions. This, in turn, may facilitate deeper and more liquid markets for both securities. In addition, it might be contended that such increased depth and liquidity in the option markets would further contribute to the liquidity of the market for the underlying security by improving the ability of market participants to shift risks associated with positions in the underlying security to the options markets.

Operational efficiencies may also result from side-by-side trading. Option marketmakers, for example, may be able to execute orders in underlying securities more quickly and more economically due to their presence on the floor where underlying securities are traded. Less costly and less time-consuming executions for combined stock-option orders may also be obtained. Further, brokerage firms may be able to utilize floor personnel more efficiently, to transfer more discretion for combined stock-option orders to their on-floor brokers, and to reflect such efficiencies in lower commission charges. In addition, exchange order routing and processing facilities might be adapted to a side-by-side trading environment to obtain routing and execution efficiencies for retail and other member firms.

Public comment is invited concerning operational efficiencies that may result from side-by-side trading. Commentators should compare operational efficiencies that may result if side-by-side trading is permitted (i) on the primary exchange for an underlying security, (ii) on the primary exchange for an option, (iii) on an exchange that is primary for both an option and its underlying security, and (iv) on other exchanges. Commentators should identify and explain such efficiencies specifically. In particular, commentators should describe and evaluate order routing, processing, and execution efficiencies that side-by-side trading may permit. The beneficiaries of such efficiencies and the extent of their benefits should also be discussed. In addition, commentators should consider what effect, if any, the existence of numerous markets for options and underlying securities may have upon any operational efficiencies that side-by-side trading may produce.

Public comment is also invited concerning whether side-by-side trading would be manageable as an administrative matter, particularly in an active market. In this regard, commentators should compare administrative difficulties that may arise if side-by-side trading were permitted (i) on the primary exchange for the underlying security, (ii) on the primary exchange for an option, (iii) on an exchange

⁵⁶Whether the deletion of market identifiers from the consolidated tape would in any way affect this situation is a subject that commentators may wish to discuss. See Securities Exchange Act Release No. 14662 (April 14, 1978), 43 FR 17422 (April 24, 1978).

that is primary for both an underlying security and its related options, and (iv) on other exchanges.

b. Competitive Advantage and Market Information

At present, the physical separation of stock and option trading precludes option marketmakers from observing trading in the market for the underlying security and stock marketmakers from observing option trading. Side-by-side trading on an exchange floor would permit marketmakers for options and their underlying securities to observe orders, transactions and patterns of trading and quotations in both securities. Access to such market information⁵⁷ may permit marketmakers to anticipate price movements and temporary imbalances in the supply of and demand for options and underlying securities more accurately. Their presence on an exchange floor where both securities are being traded may also allow them to trade on the basis of market information derived on the floor prior to the public dissemination of that information.⁵⁸

Competitive and market information advantages that may accrue to on-floor marketmakers may be most significant if side-by-side trading is permitted on an exchange that is primary for both the underlying security and its related options. Due to side-by-side trading on such an exchange, marketmakers for the underlying security would have access to market information with respect to option trading, and option marketmakers would have access to information with respect to trading in the underlying security, that they do not now have. These marketmakers would also be able to utilize this information more quickly than at present and than other market participants. While this use of market information may result in more efficient stock and option pricing, it may also be considered an inappropriate competitive advantage or an unfair trading

practice that the Commission should not permit.⁵⁹

Side-by-side trading on secondary exchanges for the underlying security, however, may not provide significant additional competitive or market information advantages to stock or option marketmakers on those exchanges, even if one of these exchanges is the primary exchange for the related options. This result may obtain because marketmakers on those exchanges may continue to trade primarily on the basis of transaction and quotation information from the primary exchange for the underlying security that is publicly disseminated.⁶⁰

Public comment is invited concerning the extent of competitive and market information advantages that may accrue to marketmakers for options and their underlying securities if side-by-side trading is permitted. In this connection, commentators should compare the advantages that may accrue (i) to marketmakers for an underlying security and (ii) to marketmakers for the related options if side-by-side trading is allowed (a) on the primary exchange for an underlying security, (b) on the primary exchange

for an option, (c) on an exchange that is primary for both an underlying security and its related options and (d) on other exchanges. Further, commentators should consider the competitive and market information advantages that other market participants possess,⁶¹ and in this context discuss whether, and under what conditions, additional advantages that may accrue to on-floor marketmakers for options and their underlying securities as a result of side-by-side trading should be permitted.

Lastly, public comment is invited concerning what effect, if any, the implementation of the initiatives described in the Commission's January Release⁶² concerning the development of a national market system for "qualified" securities may have upon additional competitive and market information advantages that may result from side-by-side trading.

C. Manipulation

The ability of marketmakers for options and their underlying securities to observe orders, transactions, and the patterns of trading and quotations for both securities may create opportunities for manipulating option and stock prices that do not currently exist. Side-by-side trading may also facilitate manipulation of stock prices to protect and make option positions profitable by allowing marketmakers to assess the risks that may be associated with manipulative activity more accurately. An option marketmaker, for example, with a substantial short position of near-term at- or slightly out-of-the-money call options might more easily sell stock short with the intention of preventing the stock from "breaking through" the strike price if he were able to assess, due to presence on the floor and side-by-side trading of the option and the stock, the buying interest for the stock in the crowd and on the book.

Public comment is invited concerning whether side-by-side trading may create opportunities for manipulating the prices of options and their underlying securities that do not exist at present. Commentators who are of the view that additional opportunities for manipulation may be created should give specific examples of such opportunities. Commentators should also discuss the extent to which side-by-side trading may facilitate manipula-

⁵⁷"Market information" has been defined as "information about events or circumstances which affect the market for a company's securities but which do not affect the company's assets or earning power." Fleischer, Mundheim, and Murphy, "An Initial Inquiry Into the Responsibility to Disclose Market Information," 121 U. Pa. L. Rev. 798 (1973). This definition will be utilized for the purposes of this Release. Commentators, however, may wish to suggest or discuss appropriate methods of defining or identifying market information.

⁵⁸Indeed, to the extent that market information obtained on the exchange floor relates to particular trading patterns or unexecuted orders that are present in the trading crowd, it may never be publicly disseminated. Market participants who are not on the floor, for example, may never become aware that a large buyer is "working an order" in a trading crowd because no mechanism currently exists for publicly disseminating such valuable market information.

⁵⁹See, e.g., Securities Exchange Act Release No. 14156 (November 9, 1977), 13 SEC Docket 661 (November 22, 1977). In Securities Exchange Act Release No. 14156 the Commission published a letter in which it advised the CBOE of its view that CBOE concerns associated with "front-running" were addressed by CBOE's Rule 4.1, captioned "Just and Equitable Principles of Trade." See also CBOE Proposed Rules 4.18 and 4.19. Notice of these proposed rules was given in Securities Exchange Act Release No. 12400 (May 3, 1976), 41 FR 19177 (May 10, 1976), and No. 12453 (May 19, 1976), 41 FR 21369 (May 25, 1976). These rules presented potential methods of addressing "front-running" and "tape-racing" concerns. As a general matter, "front-running" involves the trading of options while in possession of non-public information about a block transaction in the underlying security. "Tape-racing" involves the trading of options on the basis of privately communicated last-sale information on underlying securities before such information has been publicly disseminated on the consolidated transaction tape. See also paragraph .10 of the Interpretation and Instructions to NYSE Rule 112; AMEX Rule 24; PHLX Rule 1016; PSE Rule I, Section 12(k); and MSE Article XI, Rule 8.

⁶⁰It should be recognized, however, that an option marketmaker trading an option adjacent to its underlying security on a secondary exchange may have access to information regarding orders which may have an impact on the price of the underlying security both on that exchange and on the primary exchange. Block orders are an example of this situation. Additionally, a stock marketmaker on a secondary exchange for the underlying security that is also the primary exchange for the related options may be able to observe option trading that might indicate that purchasing or selling of the stock on its primary exchange would be likely to occur.

⁶¹In this regard, commentators should distinguish and compare the competitive and market information advantages of the following market participants: (i) Block positioners, (ii) professional off-floor traders such as arbitrageurs and other dealers trading for their own account, (iii) integrated retail firms, and (iv) public customers, including hedge funds and institutions.

⁶²See N. 4, *supra*.

tive activities. In this regard, commentators should compare manipulative opportunities that may be created or manipulative conduct that may be facilitated if side-by-side trading is permitted (i) on the primary exchange for an underlying security, (ii) on the primary exchange for an option, (iii) on an exchange that is primary for both an underlying security and its related options, and (iv) on other exchanges.

d. Surveillance

Commentators should also discuss what effect, if any, the implementation of side-by-side trading programs may have upon the ability of self-regulatory organizations to monitor the markets for options and their underlying securities. In particular, modifications of existing surveillance systems that may be necessary to detect manipulations and misuses of market information that may occur if side-by-side trading is permitted should be specifically identified and discussed.

2. Dual Marketmaking on an Exchange Floor

The CBOE Plan proposed to implement dual marketmaking on the floor of the CBOE. The CBOE contemplates that competing marketmakers would make markets in options and their underlying securities simultaneously and that one Board Broker would handle and execute public limit orders for both securities. Dual marketmaking on an exchange floor, however, may not require the implementation of a competing marketmaker system to function effectively. It would seem, for example, that an individual specialist might attempt to make simultaneous markets in his specialty stocks and their related options. Alternatively, a specialist unit composed of numerous individuals might assume responsibility for making markets in options and their underlying securities. The discussion that follows will distinguish, where appropriate, between these different approaches to dual marketmaking. Public comments directed toward the issues raised by the prospect of dual marketmaking on an exchange floor should also draw distinctions between these approaches as necessary.

a. Pricing and Operational Efficiencies

Dual marketmaking on an exchange floor may further refine the pricing and operational efficiencies discussed in connection with side-by-side trading. Dual marketmaking, for instance, may improve the ability of a marketmaker to assure that quotations for options and their underlying securities reflect the value of both securities accurately and rapidly. This improvement may result because the dual marketmaker would be continuously aware of the markets for the options

and the underlying stock and would be able to adjust his quotations for both securities to conform to changes in market conditions.

In an active market, however, large trading crowds may congregate for both an underlying security and its related options. It might be difficult under such circumstances for a dual marketmaker to make markets for both securities simultaneously, particularly in the event that stock volume is high and numerous option series are trading. An individual specialist, for example, making dual markets under such circumstances would be compelled to handle and execute limit orders in the underlying stock as well as in numerous option classes and series, to update quotations on all of these securities continuously, to trade in the stock and the various option classes and series simultaneously, and to manage trading in the crowd.⁶³ A specialist unit engaged in dual marketmaking, on the other hand, might be able to continue making markets during a surge of activity by allocating marketmaking responsibilities among the members of the unit. However, it may not be feasible, as a practical matter, for competing marketmakers to make dual markets under such circumstances since it might be difficult to obtain accurate quotation information with regard to the underlying security and its related options,⁶⁴ assure public limit order protection, and maintain the fairness and orderliness of trading due to the number of securities being traded simultaneously, their relationship to each other, and the number of marketmakers that may be trading all of these securities at the same time and in the same place. In addition, trading in such a dual marketmaking environment may be confusing for market participants.

Public comment is invited concerning pricing and operational efficiencies

⁶³ With respect to the ability of an individual specialist to update quotations for an underlying security and its related classes and series of options while trading all of these securities for his own account, it should be noted that the derivative and interdependent nature of option prices may require an individual specialist to adjust all of his stock and option quotations virtually simultaneously and in relation to each other at the moment that a transaction in the underlying security occurs at a price away from the last sale or his quoted market. Commentators should discuss whether it would be feasible to make such adjustments and, if not, what pricing and operational inefficiencies may result.

⁶⁴ It should be noted that quotations on the options exchanges that utilize a competing marketmaker system currently may not provide more than a "sense" of the market at any particular time. See e.g., Letter to George A. Fitzsimmons from Joseph W. Sullivan dated August 1, 1977, a copy of which is included in File No. S7-744.

that may be obtained from dual marketmaking on an exchange floor.⁶⁵ In particular, commentators should discuss whether pricing and operational efficiencies which would exceed those that side-by-side trading on an exchange floor might produce would be obtained if dual marketmaking were permitted: (i) on the primary exchange for an underlying security, (ii) on the primary exchange for an option, (iii) on an exchange which is primary for both the underlying security and its related options, and (iv) on other exchanges. Commentators who are of the view that such efficiencies may be obtained should identify and describe them specifically. Efficiencies that might result from individual specialist, specialist unit, and competing marketmaker dual marketmaking systems should be distinguished and specifically described. The effect that the trading of options and their underlying securities on numerous exchange floors and markets may have upon pricing and operational efficiencies that may result from dual marketmaking should also be discussed. Finally, commentators should discuss whether dual marketmaking on an exchange floor is operationally and administratively feasible, and, if so, under what circumstances.

b. Potential Conflicts in Marketmaking Obligations

The transactions of stock and option marketmakers who are registered with a national securities exchange are required to constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market,⁶⁶ and such marketmakers may not enter into transactions or make bids or offers that are inconsistent with such a course of dealings.⁶⁷ In addition, registered marketmakers generally have a "continuous obligation to engage, to a reasonable degree under the existing circumstances in dealings for their own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class."⁶⁸

⁶⁵ Retail and other member firms may obtain operational economies as a result of dual marketmaking on an exchange floor since stock and option orders could be executed by one person at one place.

⁶⁶ See, e.g., CBOE Rule 8.7(a); AMEX Rules 170, 114(b) and 958(b); NYSE Rules 104, 107B(2); MSE Article XXX, Rule 9, Article XLVII, Rule 6(a); PSE Rule II, Section 7(a), 9(g) and 10(d), Rule VI, Section 79(a) and PHLX Rules 215, 1014(a). See also 17 CFR 240.11b-1(a).

⁶⁷ *Id.*

⁶⁸ CBOE Rule 8.7(b). See also AMEX Rules 170 and 114(c); PHLX Rule 1014(f); Footnotes continued on next page

Since specialists and marketmakers who are registered with a national securities exchange have obligations to the markets for the securities in which they are registered to deal for their own account on the exchange floor, dual marketmakers on an exchange floor may be required to assume similar obligations with respect to both the options and the underlying securities in which they are making markets.⁶⁹ This may create economic incentives and trading opportunities for dual marketmakers to engage in conduct that might be considered inconsistent with their obligations to one or the other market. For instance, were a dual marketmaker to acquire a substantial long position in a stock in order to alleviate a temporary excess of supply over demand and to write call options against that long position in order to hedge the position partially, the writing activity might be viewed, if measured by traditional standards, as inconsistent with the dual marketmaker's obligations to the option marketplace if supply in that marketplace also exceeded demand.

Public comment is invited concerning the extent to which dual marketmaking on an exchange floor may create incentives and opportunities for dual marketmakers to engage in activity that may be deemed to conflict with their obligations to the market for an option or its underlying security. Commentators who express the view that dual marketmaking may result in conduct that would be inconsistent with a dual marketmaker's obligations to either or both of these markets should identify and define such conduct specifically. Examples should be utilized where appropriate. In addition, such commentators should discuss whether marketmaking activities that may be considered to be inconsistent with marketmaking obligations that may arise in connection with dual marketmaking should be permitted, and, if so, whether any inconsistencies that may result might be adequately resolved, lessened, or regulated by means of surveillance, disclosure, rulemaking, or otherwise.

Commentators should also discuss whether dual marketmaking on an exchange floor will be feasible if marketmakers are prohibited from engaging in transactions in an underlying security or its related options if the transactions were, or could be deemed to be, inconsistent with the marketmaker's obligation to the market for either security. In this regard, commentators should consider whether, and the

extent to which, dual marketmaking might result in a reduction in marketmaking capacity for options or their underlying securities if marketmakers were not permitted to engage in transactions that may be deemed to be inconsistent with their obligations to the market for either security. Commentators should also compare the extent to which reductions in marketmaking capacity may occur if dual markets are being made by an individual specialist or a specialist unit as opposed to by numerous competing marketmakers.

c. Competitive Advantage and Market Information

Dual marketmaking on an exchange floor may provide dual marketmakers with competitive and market information advantages which exceed those that may be available currently or that may exist if side-by-side trading is permitted. An individual specialist acting as a dual marketmaker, for example, would have exclusive knowledge of the contents of the limit order books for his specialty stocks and options⁷⁰ and would be constantly exposed to the flow of orders, inquiries, and trading in the trading crowds for both securities. This may allow the individual specialist to assess market conditions and to anticipate price movements and temporary imbalances in supply and demand in both markets more accurately than at present or in a side-by-side trading environment.⁷¹

⁷⁰It should be noted, however, that the Commission has recently stated its belief that "one of the basic principles upon which a national market system must be based is the assurance that all agency orders in qualified securities, regardless of location, receive the benefits of auction-type trading protection." January Release, *supra*, n. 4, 43 FR at 4359, 14 SEC Docket at 40. Accordingly, the Commission encouraged the several self-regulatory organizations to "take joint action promptly to develop and implement a central limit order file (the 'Central File') for public agency orders to buy and sell qualified securities in specified amounts at specified prices ('public limit orders')." *Id.* In addition, the Commission stated that it was not "aware of any compelling reason why information as to all public limit orders in the Central File should not be made publicly available on a current and continuous basis, at least in summarized form." *Id.*, 43 FR at 4359, 14 SEC Docket at 41. Commentators may wish to consider the effect that public availability of the contents of a central file for public limit orders for "qualified" securities may have upon the competitive and market information advantages that specialists may possess in a side-by-side trading or dual marketmaking environment.

⁷¹The competitive and market information advantages that a specialist on a primary exchange may enjoy have been described as follows: In his unique capacity the specialist stands at the heart of the Exchange market mechanism. He has intimate knowledge of the past market action of the stocks in which he specializes. He also has sole access to the specialist book showing outstanding

With this market information, as well as the ability to trade options and their underlying securities simultaneously and prior to the public dissemination of transaction and quotation information regarding either security, an individual specialist making dual markets, particularly on the floor of an exchange that is primary for an underlying security and its related options, may obtain competitive advantages that significantly exceed those that a stock or option specialist or marketmaker currently possesses.

A specialist unit may obtain similar competitive and market information advantages if allowed to trade options and their underlying securities simultaneously. The unit, for example, would be exposed to the flow of orders and inquiries on the exchange floor for an underlying security and its options and would be able to observe trading patterns in both securities. In addition, the unit would have exclusive access to the limit order book for both securities.⁷² Because the unit would be comprised of more than one individual, however, it may be necessary to transmit information concerning activity in the two markets among the members of the unit in order to obtain a complete view of the marketplace and to make the most advantageous trading decisions. Although such market information may be transmitted rapidly, and perhaps prior to the dissemination of transaction and quotation information to the public, the ability of the unit to react to changes in market conditions may not be as expeditious or as complete as may be the case with an individual specialist.

Competing marketmakers in a dual marketmaking environment, on the other hand, may have fewer competitive and market information advantages than an individual specialist or a specialist unit. Since the limit order books for options and their underlying securities would be controlled by a Board Broker or an Order Book Official, the competing marketmakers may not be aware of the extent of buying and selling interest for an underlying

orders both below and above the market which affords him a great competitive advantage over the public. In addition, he exercises a significant influence on the public appraisal of a security, since he is the one who quotes the market. For all these reasons, it is a matter of tremendous importance in the maintenance of a fair and orderly market that a specialist's transactions as principal be only of such kinds and in such amounts as are consistent with his function of acting as broker at the vital center of the auction market. SEC, *Staff Report on Organization, Management, and Regulation of Conduct of Members of the American Stock Exchange*, at 23 (1962) quoted in 2 SEC, *Special Study of Securities Markets* H.R. Doc. No. 95, 88th Cong., 1st Sess. at 59 (1963).

⁷²See n. 70, *supra*.

Footnotes continued from last page
PSE Rule II, Section 9(g) and 10(d), Rule VI, Section 79(b); MSE Article XXX (Interpretation and Policies (.01)) Article XLVII, Rule 6(b); NYSE Rules 104(.01), 107B(3).

⁶⁹See, e.g., CBOE Plan, *supra*, n. 20, Proposed Rules 8.7(a) and 8.7(b).

security or its options at prices away from the market price. Further, the information that each competing marketmaker has concerning order flow, inquiries, and trading patterns may not be as complete as the information that a specialist or specialist unit possesses because trading activity may be more dispersed among the market-making crowd. Permitting dual marketmaking, however, may still provide competing marketmakers with information concerning trading in and underlying security and its related options that they do not have at present and may allow them to trade on the basis of this information, due to their presence on the exchange floor, before it is publicly disseminated.⁷³

Public comment is invited concerning the extent of competitive and market information advantages, and the consequences of such advantages, that an individual specialist, a specialist unit, and competing marketmakers may obtain if dual marketmaking is permitted on an exchange floor. Commentators should discuss advantages that may result if dual marketmaking is allowed on the floor of (i) the primary exchange for an underlying security, (ii) the primary exchange for an option, (iii) an exchange that is primary for both an underlying security and its related options, and (iv) on other exchanges.

Competitive and market information advantages which exceed those that may result from side-by-side trading should be specifically identified and described. Commentators should also consider competitive and market information advantages that dual marketmakers may obtain in relation to advantages that other market participant possess⁷⁴ and discuss whether, and under what circumstances, the advantages that might accrue to dual marketmakers on an exchange floor should be permitted. In this connection, competitive fairness and potential contributions to the marketplace that dual marketmakers may make should be considered.

Finally, public comment is invited concerning what effect, if any, the implementation of the initiatives in the January Release⁷⁵ concerning the development of a national market system for "qualified" securities may have upon competitive and market information advantages that may result from dual marketmaking.

d. Manipulation

Dual marketmaking on an exchange floor may create manipulative oppor-

tunities that do not presently exist. The fact that a dual marketmaker might earn substantial profits from option positions as a result of small movements in the price of an underlying security may also provide an incentive to engage in manipulative activity. Since it may be relatively simple to move the price of an underlying security a small amount and relatively difficult to detect such conduct, the risks associated with manipulative activity may be minimal while the opportunities to profit may be substantial.

An example may help to illustrate these points. Assume that A is an individual specialist making dual markets in XYZ stock and options on the floor of an exchange that is the primary market for XYZ and its related securities. Also assume that on June 1 (i) XYZ opened at a price of \$75, (ii) the July 70 calls were selling for \$6 and the July 80 calls for \$2, and (iii) A had a long position of 400 XYZ July 70 calls and 400 XYZ July 80 calls. To profit from the long call positions, A might utilize his knowledge of the supply and demand in the market for XYZ to cause the price of XYZ to move up a small amount in a short time and might use his knowledge of the market for the XYZ calls to liquidate the July 70's and 80's at a profit. Thus, A may quote a market for XYZ of 74½ bid and 75½ offered after the market opened, the 75½ offered price reflecting A's own quotation and offers at 75½ being present on the book. If a market order to buy 200 shares of XYZ were to enter the market, A might sell 100 shares to the customer from his inventory at 75½, immediately raise his offer to 75¾, and sell the remaining 100 shares to the customer from the book at a price of 75¾. Subsequently, A might adjust his quotation to 75 bid and 75¾ offered. If a market order to sell 300 shares were to then come to the floor, A might purchase the shares at 75 if there were no orders on the book or in the crowd at that price to assure that the bid price did not decline. As additional orders to buy or to sell XYZ entered the market throughout the day, A might continue to sell from the book until all book orders were filled at a particular price, adjust his quotations upwards, and buy at the bid price for his own account only to the extent necessary to assure that the bid did not decline. As a result of this trading, the price of XYZ might be raised to 76 at the end of the day and A might be a net purchaser of XYZ. Assume, for the purposes of this example, that A was a net purchaser of 1500 shares at an average price of 75½.

The following day, with A opening the market by quoting a bid price of 75½ and an offered price of 76½, A might liquidate his positions in the XYZ July 70 and 80 calls utilizing

limit orders that may be in the book, and orders that may be in the trading crowd. The average premiums that A receives in this liquidation might be \$7 for July 70 calls and \$2.50 for the July 80 calls. If A is also able to later liquidate his 1500 share position in XYZ at an average price of 75½, again using limit orders in the book and orders in the crowd, he would have obtained a \$60,000 profit on his option trading by causing a one point move in XYZ in one day.

The derivative nature of option pricing and the leverage characteristics of options provide the dual marketmaker with the incentive to effect the transactions described in this example. Access to the market information in the limit order books and in the trading crowds for the stock and its options may facilitate his activities. Moreover, the relatively small price movement that was necessary to produce his profit may make his activities difficult, if not impossible, to detect. Of course, the profitability of such conduct may depend upon the amount and price of stock that must be absorbed to move the stock price as well as upon the ability of the dual marketmaker to liquidate his option positions while the stock price is at an artificially high level and his stock positions without sustaining a loss that would significantly diminish his option profits. In addition, the fluctuations in stock prices over a short period of time and the liquidation of a substantial option position while the stock price is a brief high may provide surveillance tools that would allow self-regulatory organizations or market participants to detect this type of activity.

In a competing marketmaker system of dual marketmaking, on the other hand, it may be difficult to profit successfully from conduct such as that described in the above example. Without knowledge of the contents of the limit order books for the options and the underlying security, a competing marketmaker may not be able to estimate the buying and selling interest in the underlying security accurately and thus to assure the desired progression of quotation adjustments that permit the stock price adjustments to occur with minimal risk. Also, without knowledge of the limit order books, liquidating the stock and option positions quickly and effectively may be more difficult.

The example that has been discussed is not intended to be exclusive or even typical of manipulative conduct that may occur if dual marketmaking is permitted on an exchange floor. Rather, it is intended to illustrate additional potentials for manipulation that dual marketmaking on an exchange floor may create. Public comment is invited concerning whether dual marketmaking on an exchange

⁷³It should be noted, as previously, that some of the market information that on-floor marketmakers may obtain in a dual marketmaking environment may never be publicly disseminated. See n. 58, *supra*.

⁷⁴See n. 61, *supra*.

⁷⁵See n. 4, *supra*.

floor would create opportunities and incentives for manipulating the prices of options and their underlying securities which do not currently exist. Commentators who express the view that such opportunities and incentives would be created should discuss the opportunities and incentives specifically and should provide examples where feasible. Commentators should compare opportunities for manipulative conduct that may be created if dual marketmaking is allowed (i) on the primary exchange for the underlying security, (ii) on the primary exchange for an option, (iii) on an exchange that is primary for both an underlying security and its related options, and (iv) on other exchanges. Commentators should also discuss differing potentials for manipulation that may exist if an individual specialist, specialist unit, or competing marketmaker system of dual marketmaking were to be in effect. Specifically, with regard to a competing marketmaker system of dual marketmaking, commentators should consider whether, and the extent to which, one or more competing marketmakers, individually or in concert, may be able to manipulate or dominate prices for an underlying security and its related options.

e. Surveillance

As mentioned in connection with the discussion of manipulative potentials that dual marketmaking on an exchange floor may present, surveillance of dual marketmaking may be a difficult task. Accordingly, public comment is invited with respect to the effect, if any, that the implementation of such dual marketmaking programs may have upon the ability of self-regulatory organizations to monitor the markets for options and their underlying securities. In particular, commentators should discuss specific methods that may be available to detect and evaluate manipulations and other improper trading practices, including conduct by dual marketmakers that may be deemed a misuse of market information or inconsistent with a dual marketmaker's marketmaking obligations, that might be utilized if dual marketmaking is permitted.

B. Whether Standardized Options Should Be Traded in the Over-the-Counter Markets

The NASD Plan contemplates the establishment of an over-the-counter market for standardized options. This proposal thus presents the issue of whether such a market is appropriate. Public comment is invited at this time concerning three market structure questions that must be considered in seeking to resolve this issue. First, real-time transaction reporting for over-the-counter securities is not currently required in the over-the-counter

markets. Accordingly, it is necessary to consider whether standardized options trading in the over-the-counter markets is appropriate in the absence of real-time last sale reporting of underlying security transactions. Second, the extent to which trading in underlying securities and their related options should be integrated in the over-the-counter markets must be considered.⁷⁶ Finally, the question of whether third market trading of listed options should be permitted is raised by the NASD Plan and should be addressed. Each of these issues is discussed briefly in the following section.

1. Real-Time Last Sale Reporting in the Over-the-Counter Markets

The absence of real-time last sale reporting of underlying security transactions in the over-the-counter market may present questions of option pricing efficiency and fairness in that marketplace. Because option prices depend upon and react to changes in the price of the underlying security, the lack of real-time transaction reporting for underlying securities may make it difficult to determine the value of an option at any given point in time or to adjust option or stock positions in accordance with price changes in the underlying security.

For example: An institutional investor might approach a NASDAQ marketmaker during the first week of January to buy 10,000 shares of XYZ. Assume that the high sale price for XYZ during the previous day was \$50 per share and the best bid currently displayed on NASDAQ Level II service is 49% and the best offer is 50%. Also assume that January 40, 45, 50 and 55 put and call options, in addition to various April and July series, have been issued on XYZ. Were the marketmaker to sell 6,000 shares to the institution at a price of 51, knowledge of this transaction might have a significant effect upon the valuation of the January and other options by other marketmakers and market participants. Marketmakers, for instance,

⁷⁶In connection with this discussion of the NASD Plan, it should be noted that the Commission has previously stated its belief that, "in principle, an options program along the lines discussed in the NASD's [proposed program] would be consistent with the Securities Exchange Act of 1934 and that, in an environment of vigorous competitive market making, it would be appropriate to permit marketmakers, if they choose, to make markets in both the options and the underlying securities." The Commission also emphasized, however, "that the environment in which dual [marketmaking] may be permitted [is] of concern" and stated its desire "to be certain that that environment provides for appropriate regulatory safeguards * * *." See Letter from Roderrick M. Hills to Gordon S. Macklin dated September 24, 1976. A copy of this letter is contained in File No. S7-744.

might increase their bid and offer quotations in the January 40 and 45 calls to reflect an increase, perhaps in the amount of \$1, in the intrinsic value of those options, or might decrease their bids and offers in the January 55 puts by a similar amount. In addition, other marketmakers and market participants might seek to adjust positions in accordance with the price increase. A market participant with a short position in the January 50 calls, for example, might execute closing purchase transactions or might purchase stock to hedge the short position. A marketmaker, on the other hand, with a long position in the January 50 calls might sell January 55 calls or April 50 calls to spread the risk of the long position. Without real-time last sale reporting of the transaction in XYZ, however, persons other than the institution and the marketmaker completing the trade would not know the size or price of the transaction or even that the transaction had occurred. As a result, they may not have an opportunity to adjust their prices and positions to reflect the transaction.

Further, without real-time last sale reporting of underlying security transactions, investors may be compelled to rely exclusively upon quotation information provided by the NASDAQ system in making pricing decisions concerning NASDAQ options.⁷⁷ In this connection, it should be noted that NASDAQ marketmakers may not adjust quotations when transactions occur at prices away from the quoted prices but might adjust such quotes if no transaction or significant market event were to take place. For instance, in the above example, the NASDAQ marketmaker that sold the 6,000 shares of XYZ may, at the time of the sale, have been bidding 49% and offering 50% for XYZ. If he were also making markets in the XYZ NASDAQ options, he may have been bidding 10 and offering 10% for the January 40 calls. After the sale, these quotations might not change and may continue to reflect the dual marketmaker's market for one round lot of XYZ and one January 40 call. Under such circumstances, the dual marketmaker's quotations would not indicate that a transaction had occurred which might suggest that the January 40 calls should have an intrinsic value of 11.⁷⁸

⁷⁷It must be noted that NASDAQ quotations are required to be firm for only one round lot and do not indicate any greater number of shares for which the bid or offer will be firm.

⁷⁸Similarly, real-time last sale reporting of option transactions may not provide market participants with sufficient information to allow proper option pricing. If, for example, the dual marketmaker were to purchase the January 40 calls at between 10 and 10%, or at slightly higher prices, other market participants who received real-time last sale re-

Footnotes continued on next page

As a result, market participants, trading solely on the basis of quotations, may not have an opportunity to make an independent judgment concerning the prices at which XYZ and the XYZ options should trade in light of the 6,000 share transaction or to assess the risk associated with their stock and option positions in view of that transaction.⁷⁹

The NASD, however, has responded to the suggestion that it implement real-time last sale reporting on at least three occasions in the context of its proposed options plan.⁸⁰ The Association has stated that "trade reporting of transactions in over-the-counter securities underlying options in the detail it believes necessary would be unnecessarily burdensome and extremely time consuming to members if implemented on a real-time basis."⁸¹ In addition, the Association has pointed out that real-time last sale reporting of underlying security transactions might "create public confusion" since the "Consolidated Tape presently prints transactions at prices which are exclusive of any commissions or differentials charged" whereas last sale reports of transactions by over-the-counter dealers might, if not reported via the consolidated tape and in accordance with its rules, "reflect the actual or net price paid or received."⁸² As a result, it may be difficult for market participants to interpret last sale information.⁸³ Further, the NASD

has suggested that requiring real-time last sale reporting for transactions in securities traded exclusively in the over-the-counter markets may result in reduced marketmaking capacity in those markets.⁸⁴

Public comment is invited concerning these issues.⁸⁵ Specifically, commentators should discuss whether real-time last sale reporting of underlying security transactions in the over-the-counter markets should be required before over-the-counter trading in standardized options is permitted. Commentators should also discuss whether underlying security quotation information, in conjunction with real-time reporting of option transaction and quotation information, is sufficient to allow fair and efficient over-the-counter trading in standardized options. Any "burdens" that real-time reporting of underlying security transactions may impose upon over-the-counter traders and marketmakers should be discussed in detail as should any "public confusion" or reductions in marketmaking capacity that might result from such reporting. In addition, commentators may wish to consider and discuss the costs and benefits of imposing real-time last sale reporting requirements solely with respect to over-the-counter securities upon which standardized options have been issued.

Finally, on January 26, 1978, the Commission stated its intention to initiate a rulemaking proceeding not later than June 30, 1978, for the purpose of designating certain categories of securities as "qualified" for trading in a national market system.⁸⁶ The Commission observed that a number of equity securities traded exclusively in the over-the-counter market "generally possess characteristics * * * which justify their inclusion in the 'qualified' category."⁸⁷ Moreover, the Commission stated its intention "to require last sale information with respect to completed transactions in all qualified securities traded exclusively over-the-

counter to be included in the consolidated [transaction reporting] system [and] to require quotations in those securities to be collected and disseminated in accordance with Rule 11Ac1-1 under the Act * * *." Commentators may wish to discuss what relationship, if any, this rulemaking proceeding should have to the question of whether real-time last sale reporting of transactions in securities underlying NASDAQ options should be required.

2. Integrating the Trading of Standardized Options and Their Underlying Securities in the Over-the-Counter Markets

The NASD Plan proposed to allow registered NASDAQ marketmakers to make markets in NASDAQ options and their underlying securities simultaneously. In its analysis of the issues relating to dual marketmaking,⁸⁸ the NASD stated that dual marketmaking through NASDAQ would "entail substantial benefits to investors and the marketplace" and noted its belief that "dual marketmaking in the closely regulated, highly visible NASDAQ market will not create significant new opportunities for manipulative abuses by marketmakers."⁸⁹ In this connection, the Association was of the view that "the quality of the underlying securities (on which NASDAQ options would be issued), the number of competing marketmakers (entering quotations in the NASDAQ system), the volume of trading activity (in the underlying securities), and a requirement that there be a minimum number of marketmakers in both the underlying security and the (NASDAQ) option before anyone would be permitted to make a dual market" would be sufficient safeguards to minimize the ability of a dual marketmaker to manipulate an underlying NASDAQ security or its options.⁹⁰ Additionally, a "comprehensive package of rules" to govern the operation of the NASDAQ trading system and "extensive examination and surveillance programs" were expected to have a "significant deterrent and preventative effect."⁹¹ Whether dual marketmaking is appropriate in the over-the-counter markets will be discussed in the following section.⁹²

⁸⁸ *Id.* See also, Securities Exchange Act Release No. 14415 (January 26, 1978), 43 FR 4341 (February 1, 1978), 14 SEC Docket 14 (February 7, 1978).

⁸⁹ National Association of Securities Dealers, "An Analysis of the Issues Relating to Dual Marketmaking on NASDAQ," May 14, 1976 ("Analysis"). This analysis was submitted in response to Securities Exchange Act Release No. 10312 (August 1, 1973), 38 FR 21459 (August 8, 1973), and a copy is included in File No. S7-744.

⁹⁰ *Id.* p. 2.

⁹¹ *Id.* pp. 11-12.

⁹² *Id.* p. 12.

⁹³ The possibility of implementing side-by-side trading in the over-the-counter markets

Footnotes continued on next page

Footnotes continued from last page
ports of these purchases may have no reason to believe that such transactions may not reflect the value of those options since the purchases would be at prices reasonably related to the marketmaker's quotations.

⁷⁹ See Letter to George A. Fitzsimmons from James F. Dalton, dated March 31, 1977, pp. 5-6. A copy of this letter is included in File No. S7-744.

⁸⁰ Letters to George A. Fitzsimmons from Gordon S. Macklin dated March 18, 1977 and October 19, 1977; Letter to Sheldon Rappaport and Martin Moskowitz from Frank J. Wilson dated May 31, 1977. A copy of each of these letters is available in File No. S7-744.

⁸¹ See Letter to George A. Fitzsimmons from Gordon S. Macklin dated March 18, 1977, p. 2.

⁸² *Id.* p. 3.

⁸³ Article XVIII of the NASD By-Laws and Schedule G thereunder initially required "net" price reporting for over-the-counter transactions in listed securities for the several months immediately after the implementation of Network A of the Consolidated Transaction Reporting System. Subsequently, the Commission approved an NASD rule change which, among other things, provided that over-the-counter principal transactions in listed securities be reported in the Consolidated System at "gross" prices. In other words, the price reported in the Consolidated System, like all other prices reported to that system, does not include any commission, commission equivalent, or differential imposed in con-

nection with the transaction. See Securities Exchange Act Release No. 12432 (May 12, 1976), 42 FR 3383 (January 18, 1977).

⁸⁴ See, e.g., Testimony of Gordon S. Macklin, President, National Association of Securities Dealers, Inc., August 16, 1977, in response to Securities Exchange Act Release No. 13662 (June 23, 1977), 42 FR 33510 (June 30, 1977), File No. 4-180 at Transcript, pp. 978-981 and 1044-1045.

⁸⁵ Numerous proposals have also been made to list and trade, on registered exchanges, standardized options on securities traded solely in the over-the-counter markets. See n. 21, *supra*. These proposals may raise issues analogous to those discussed in this section, and interested persons are invited to discuss whether exchange trading of such options should be permitted.

⁸⁶ January Release, n. 4, *supra*, 43 FR at 4360-4361, 14 SEC Docket at 43.

⁸⁷ *Id.*

a. Market Information and Manipulation

NASDAQ dual marketmakers may be exposed to substantial inquiry and order flow in NASDAQ options and their underlying securities. The absence of real-time last sale reporting with regard to stock transactions, when coupled with the ability of a NASDAQ marketmaker to complete stock transactions at prices other than those quoted in NASDAQ without adjusting quotations or otherwise indicating that a transaction has occurred, may enhance the ability of NASDAQ dual marketmaker to utilize inquiry and transaction information with regard to the underlying security to earn profits on option positions.

The example discussed above in connection with real-time last sale reporting may illustrate some of these points. In that situation, an institutional investor approached a NASDAQ marketmaker to buy 10,000 shares of XYZ. The high sale price for XYZ during the previous day was \$50 per share and the best bid displayed on NASDAQ Level II service was 49% and the best offer was 50%. The marketmaker sold 6,000 shares to the institution at a price of 51. If the marketmaker who sold the 6,000 shares of XYZ was also making markets in the XYZ options, he might purchase, after

completing the stock sale, the January 40 or 45 calls at the prevailing bid price or by slightly improving the best bid. He may also be able to sell the January 55 or 50 puts at the prevailing offer price or by slightly improving the best offer. Assuming that the market were to adjust gradually to the sale price of 51, perhaps to indicate that XYZ was properly valued at \$51 per share or perhaps because other transactions, involving the other 4,000 shares that the institution sought to buy and other marketmakers, were to occur at a price near 51 and other marketmaker quotations were to adjust accordingly, the dual marketmaker might liquidate the long call or cover the short put positions at a profit.

On the other hand, even when a NASDAQ dual marketmaker is aware of an imminent stock or option transaction, it may be difficult to profit from this knowledge again due to the absence of real-time last sale reporting and the fact that quotations may not be adjusted to reflect transactions. If, for example, (i) the institution that purchased XYZ from the NASDAQ dual marketmaker was unable to find another seller and withdrew from the market, (ii) the institution was able to buy the 4,000 remaining shares of XYZ quickly from other marketmakers at a price not significantly higher than 51 and those marketmakers did not adjust their quotes to reflect the transactions, or (iii) additional sellers entered the market, the market for XYZ may not adjust to reflect the marketmaker's transaction or the institutional buying, particularly if information concerning the transaction was not publicly disseminated and the marketmaker did not adjust his quotations to reflect the transaction. Under these circumstances, the marketmaker might not profit from the option position that he had assumed although he may be able to liquidate that position without sustaining a substantial loss since the call options may have been properly valued when he purchased them and their prices may not have changed.

Dual marketmaking in the over-the-counter market may also provide NASDAQ marketmakers with incentives and opportunities to engage in manipulative practices. These incentives and opportunities, as on an exchange floor, may result from the ability to profit on option positions as a consequence of relatively small and rapid price movements in the underlying security and the difficulty of detecting improprieties that may occur in connection with such price movements. For example, assume that the best bid for XYZ displayed on NASDAQ Level II is 50 and the best offer is 50%. Also assume that A, a registered dual marketmaker, has accumulated a long position of near-

term put options with an exercise price of 55. Further, assume that the best bid for the XYZ 55 put options is 6 and the best offer is 6%. If A were a prominent dual marketmaker and was currently bidding 50 and offering 50% for XYZ, a change in A's bid and offer for XYZ may significantly impact the bids and offers of other marketmakers and, at the same time, the bids and offers for the XYZ put options. Thus, if five marketmakers were bidding 50 for XYZ and A were to lower his bid to 49% and his offer to 49%, the other marketmakers, particularly in the absence of real-time last sale reporting, may believe that A has effectuated a large transaction at a price substantially below his bid price or that A is in possession of market information concerning XYZ that reflected upon the company or the market for its securities adversely. As a result, these marketmakers may lower their bids and offers in a manner consistent with A's adjustments. Under these circumstances, the best bid for the XYZ 55 put options may increase to 6%. If A is able to sell all or a portion of his long position in the XYZ 55 puts, he may be able to earn ½ for each put that is sold.

In this example, A was able to earn a profit on his option position merely by changing his quotations for the underlying security. Of course, other market participants may purchase shares from A at his reduced offer of 49% and A would then be at risk that the market would return to its previous level and his profit from his option transactions may become a substantial loss. In addition, it may be feasible to detect A's conduct since the liquidation of his long position in the put options may be inconsistent with the lowering of his bid and ask quotations and would occur while the market was temporarily depressed.

In this connection, the NASD has stated that the potential for manipulating underlying NASDAQ securities will be minimal because those securities will be "widely held and actively traded,"⁹³ quotations will be highly visible,⁹⁴ substantial marketmaking competition will exist,⁹⁵ and position and exercise limits and NASD rules and reporting requirements "would effectively prevent a marketmaker from achieving a large enough position in options to utilize the options in a meaningful fashion in any attempt at manipulation."⁹⁶

⁹³ Analysis, *supra*, p. 12.

⁹⁴ *Id.*, p. 15.

⁹⁵ *Id.*, pp. 15-16.

⁹⁶ *Id.*, p. 17. With regard to the rules and reports that the Association intended to utilize "to act as safeguards for the protection of investors and the public interest," the NASD stated:

(1) . . . in order for a member to simultaneously make a market in the underlying se-

Footnotes continued on next page

Footnotes continued from last page will not be discussed specifically in this Release because it does appear to be a viable method of trading stocks and options in the over-the-counter markets due to the difficulty, if not impossibility, of separating marketmaking functions where trading occurs in the offices of securities dealers. Commentators may wish to discuss, however, whether side-by-side trading would be feasible or appropriate in the over-the-counter markets. See, e.g., Securities Exchange Act Release No. 11423 (May 15, 1975).

It should be also noted that the NASD has stated:

Firms most likely to become marketmakers in NASDAQ options are the same firms that currently make markets in the underlying securities on NASDAQ. It is unlikely that firms other than NASDAQ marketmakers will choose to be NASDAQ options marketmakers only or that a marketmaker in a given NASDAQ underlying security will choose to make a NASDAQ options market involving an underlying security with which it is unfamiliar, i.e., an issue in which it is not a NASDAQ marketmaker. Also, it would not be in the public interest for a NASDAQ marketmaker to drop his marketmaking activity in a NASDAQ issue in favor of making a market in a NASDAQ option. In reality, it would not do so.

In some, if dual marketmaking is not permitted, it is unlikely that the NASDAQ options program will be implemented. This eventuality is neither desirable nor necessary. Analysis, pp. 29-30.

Hence, it may be that an over-the-counter market for standardized options will not be feasible, due to a lack of marketmaking capacity, without dual marketmaking. Commentators should discuss this possibility.

Footnotes continued from last page

curity and options relating thereto, there would have to be a total of at least five registered marketmakers in the underlying security and at least five registered marketmakers in each options series in respect to which dual marketmaking was intended. This provision would reduce the possibility of a given firm controlling activity in both the option and the underlying security, and, hence, reduce the possibility of manipulation. If a firm elected to make a dual market, however, it would be required to make a market in each of the options series (various expiration dates) with the same striking price. This requirement would guarantee a market in all series with the same striking price where a dual market is being made.

(2) Without prior approval of the Association, a NASDAQ options market maker would be prohibited from acquiring positions in its investment account, or the accounts of other members or investors, in any class or series of NASDAQ options in excess of specified limits. Specifically, these limitations would prohibit aggregate long or short positions in excess of 1000 options contracts of the same class of NASDAQ options or 500 options contracts of the same class and expiration date. This rule is designed to prevent a marketmaker from accumulating so large a position as to be able to manipulate prices by having a "corner on the market" in a given class or series of options.

(3) There would be a limitation on the number of long positions in a given class of options which could be exercised within any five-day period by a NASDAQ options marketmaker buying for its investment account or the account of any of its officers, partners and employees, by any other members or by a public customer. The purpose of this proposal is to discourage manipulative activities in the underlying security by limiting the number of shares which may be acquired under options within a stated period of time and by minimizing the effect that the exercise of substantial amounts of options might have on the price of the underlying security.

(4) Dual marketmakers would have position and exercise limits as to their trading accounts in addition to the above limitations in connection with their investment accounts. Specific limits have not yet been determined but they are under active consideration, i.e., a position limit of 5 or 10% of the open interest; exercise limits comparable to those imposed for investment accounts.

(5) All marketmakers, dual or otherwise, would be required to file reports detailing the nature of the options position in excess of established levels (which would be substantially less than the established positions limitations) in each of its investment accounts and the accounts of affiliates. Reports as to dual marketmakers trading accounts would also be required. Reports would also be required from all members with uncovered short positions. These reporting requirements would establish an early warning system whereby concentrated positions in options which may be used in a potential manipulative scheme could be quickly identified.

(6) Where excesses over established position limits occur, prohibitions on further activity by the violative accounts would be imposed until the excesses are liquidated.

(7) Transactions in so-called "conventional options" covering those securities in which

Public comment is invited concerning the extent of market information advantages that may accrue to dual marketmakers if dual marketing is permitted in the over-the-counter markets. Commentators should identify and describe specifically, and by means of example where appropriate, such advantages. In addition, commentators should discuss possible misuses of market information that may occur in a dual marketmaking environment in the over-the-counter markets and attempt to define such misuses pre-

NASDAQ options are being traded would be required to be reported. This provision will assist in the surveillance of all options activities in securities authorized for NASDAQ options.

(8) The principle of full disclosure is a paramount concern particularly in regard to those situations in which a member acts in the capacity of a dual marketmaker. In that connection, the Association is considering the desirability of a rule which would require disclosure of this fact on confirmations sent to customers.

(9) All NASDAQ options marketmakers, as well as all other members, would be prohibited from entering into any options contract with an issuer, controlling person or affiliate of the issuer if the option covered securities of the issuer. It should be noted that one of the chief abuses uncovered by the Pecora Commission was secret options transactions between dealers and persons holding controlling interests in issuers and the issuers themselves. Such will be prohibited on NASDAQ.

(10) Special requirements will govern the execution of options contracts in customers' discretionary accounts. A member would be required to obtain the written approval of the customer specifically authorizing options trading in the discretionary account and each NASDAQ options transaction would be required to be approved by a registered options principal. While these provisions are primarily for the protection of investors, they would also make it more difficult for members to create options trading activity through accounts over which they have control. The use of discretionary accounts has in the past assisted in the perpetuation of many manipulations.

(11) The Association would have broad authority to impose on its own motion restrictions upon transactions in any class or series of NASDAQ options or transactions in the underlying security as may be necessary and appropriate to maintain fair and orderly markets in the public interest. This would enable the Association to deal with special and unique trading situations the particulars of which cannot be foreseen in advance.

Analysis, *supra*, pp. 17-22 (Footnotes omitted). See also NASD Plan, Proposed Article XVI, Section 3, Schedule D, Part IV, Section 3(a) which, among other things, would increase the number of registered NASDAQ marketmakers who would be required to be displaying quotations in the underlying security to ten prior to the commencement of dual marketmaking activities.

Commentators may wish to discuss whether these safeguards are adequate (i) to minimize opportunities to engage in manipulative conduct that dual marketmaking in the over-the-counter markets may create, (ii) to deter such conduct, and (iii) to permit appropriate monitoring of potentially improper activities

cisely. Commentators should also discuss the possibilities for effecting stock or option manipulations in the over-the-counter markets if dual marketmaking is allowed. Specific examples of manipulations that may occur should be presented and discussed.

b. Marketmaking Obligations and Commitment to the Marketplace

The NASD Plan would not impose marketmaking obligations upon NASDAQ dual marketmakers which would be similar to those imposed upon exchange marketmakers.⁷⁷ The Plan would also permit NASDAQ dual marketmakers to suspend quotations, with the approval of the NASD, upon a showing that their ability to enter quotations is seriously impaired. Moreover, the NASDAQ dual marketmakers would be able to voluntarily terminate their registration as a NASDAQ marketmaker in a particular option series merely by withdrawing their quotations. Reregistration would be permitted at any time upon the filing of an application for reregistration and NASD approval.

Expressing concern with regard to the ease of registering and withdrawing from option marketmaking responsibilities under the NASD Plan, the CBOE has observed:

A NASDAQ options market-maker will be permitted to register for and withdraw from that status with relative ease. Thus, marketmakers in NASDAQ options could engage in a practice of registering for only those series which are or have become attractive (in the sense of trading activity) and avoiding unattractive series or terminating their registrations in series that become unattractive simply by withdrawing their quotations. With a number of market-makers avoiding or deserting a series which had become unattractive, an investor who had taken on a position in that series might be hard-pressed to close it out at a price he deemed reasonable. Dissatisfaction or disillusionment with loss of liquidity could well spill over from the NASDAQ options market to the listed options markets.

Our concern for loss of liquidity is heightened by the lack of restrictions on withdrawal from market-maker status as a particular series approaches expiration or moves into or out of the money. Although we recognize that no one can guarantee the continued existence of a secondary market for a particular series or class of options, the great strength of the listed options market has been the liquidity which exchange market-makers (with their attendant obligations) have brought to options trading. The NASD proposal should include features designed to encourage the development and continuation of a similarly liquid secondary market.⁷⁸

⁷⁷See n. 27 and accompanying text and discussion at Section III(A)(2)(b), *supra*.

⁷⁸Letter to George A. Fitzsimmons from Joseph W. Sullivan dated April 25, 1977, pp. 7-8. See also Letter to George A. Fitzsimmons from Wayne P. Luthringshausen dated May 10, 1977, pp. 3-4. Copies of these letters are contained in File No. S7-744.

Public comment is invited concerning whether dual marketmaking is appropriate in the over-the-counter market in the absence of any requirement that such marketmakers contribute to, and not diminish, the fairness and orderliness of those markets. Commentators expressing the view that dual marketmakers in the over-the-counter markets should be required to contribute to the fairness and orderliness of those markets should specifically discuss how such requirements might be implemented and how individual dual marketmaker contributions to the marketplace might be measured and evaluated. Commentators should also discuss whether registration and withdrawal provisions for dual marketmakers similar to those suggested by the NASD Plan would be appropriate if dual marketmaking in the over-the-counter markets were permitted. In addition, commentators should consider whether the imposition of marketmaking obligations or special registration and withdrawal requirements upon NASDAQ dual marketmakers might result in unnecessary or inappropriate burdens on competition.

c. Surveillance

In discussing the NASD Plan, the CBOE suggested that surveillance of stock and option trading may be particularly difficult in the over-the-counter markets because:

"... under the NASD proposal (i) trading will not take place in a crowd, but rather over a telephone line between two members' trading rooms, (ii) the trade reporting process will be manual and under the control and discretion of an individual member, and (iii) to the extent that the options relate to OTC stocks, there will not be last sale price and volume information on the underlying securities."⁹⁹

The Association, however, responded to the suggestion that its surveillance systems may not be adequate by stating:

We will not, of course, have last sale information on a real time basis on underlying over-the-counter securities. We will have sequentially timed transaction reporting for surveillance purposes of all transactions in underlying NASDAQ securities. Thus, we will, among other things, be able to construct an adequate audit trail and also be able to detect sequenced changes in options quotes and those in their underlying securities. We hasten to point out that the effectiveness of our surveillance program will be enhanced by the fact that we will have available to use on a continuous basis information on activity in both NASDAQ options and their underlying over-the-counter securities. As noted previously, sequentially timed transaction reports on all underlying securities trades will be submitted daily by all NASD members effecting such trades.

⁹⁹Letter to George A. Fitzsimmons from Joseph W. Sullivan, dated April 25, 1977, p. 2.

Using this information, and the real time option trade reports, the Association's computer will be able to produce a printout which will show, side by side and in sequence, daily activity in NASDAQ options and their underlying securities. To our knowledge, none of the options exchanges presently have such a capability.¹⁰⁰

Public comment is invited concerning the extent to which it is feasible to conduct adequate surveillance of dual marketmakers in the over-the-counter markets. Specifically, commentators should discuss whether surveillance of NASDAQ stock and option trading will be adequate to detect misuses of market information and manipulations that may occur.

3. Trading Exchange Listed Options in the Over-the-Counter Markets

At present, there does not appear to be an over-the-counter market in listed options. The NASD Plan, however, suggested the possibility that such a market may develop. Commentators should discuss whether the Commission should permit the evolution of such a market at this juncture. In this connection, the relationship between such a "third market" in standardized options and the recent pronouncements of the Commission concerning the development of a national market system and remaining off-board trading restrictions should be considered.¹⁰¹

C. WHETHER THE NEW YORK STOCK EXCHANGE SHOULD BE PERMITTED TO LIST AND TRADE STANDARDIZED OPTIONS

The NYSE Plan would permit the listing and trading of standardized op-

¹⁰⁰Letter to George A. Fitzsimmons from Gordon S. Macklin dated October 19, 1977, p. 4.

¹⁰¹See January Release, n. 4, *supra*. It should be noted that the Commission has not sought to resolve issues that may be presented by the off-board trading restrictions currently in effect with respect to standardized options that are traded on a national securities exchange. See Securities Exchange Act Release No. 13662 (June 23, 1977), 42 FR 33510 (June 30, 1977), at n. 157. See also, Section 11A(c)(4) of the Act, 15 U.S.C. 78k-1(c)(4); Securities Exchange Act Release No. 11628 (September 2, 1975), 40 FR 41808 (September 9, 1975); Securities Exchange Act Release No. 11942 (December 19, 1975), 41 FR 4507 (January 30, 1976). Of course, should a third market for standardized options develop, the Commission may have to consider issues similar to those presented in connection with the proceedings concerning the removal of off-board trading restrictions for listed equity securities. See File No. 4-180. See also, e.g., Securities Exchange Act Release No. 13662, *supra*; Securities Exchange Act Release No. 11628, *supra*; and Securities Exchange Act Release No. 11942, *supra*; and Report of the Securities and Exchange Commission on Rules of National Securities Exchanges Which Limit or Condition the Ability of Members To Effect Transactions Otherwise Than on Such Exchanges, September 2, 1975.

tions on underlying securities that are traded on the NYSE and with respect to which standardized options are already listed and traded on other exchanges. The Plan also proposes to separate the trading of options and their underlying securities by means of a physical barrier and does not contemplate side-by-side trading or dual marketmaking on the NYSE floor.

Public comment is invited with regard to two fundamental issues that the NYSE Plan presents. First, public comment is invited concerning whether increased dual trading of listed options as proposed by the NYSE is appropriate at this time. Second, public comment is sought with regard to whether the predominant position of the NYSE in the stock market is likely to facilitate NYSE domination of the options markets to a comparable extent and, if so, whether such domination might result in an unnecessary or inappropriate burden on competition.

1. Dual Trading and the NYSE

In Securities Exchange Act Release No. 13325, the Commission requested public comment concerning "the practice of allowing options of the same class and expiration date to be traded on more than one exchange ('dual trading'), and whether such dual trading of options is in the public interest at this time."¹⁰² Responding to this request, each of the exchanges listing options, as well as a number of other commentators, submitted views with respect to their experience with dual trading as of the date of that Release.¹⁰³

The CBOE and the AMEX were both of the view that dual trading could provide significant benefits to the investing public. The CBOE, for example, stated:

Experience in multiple trading in options to date has shown that, largely in response to forces of competition, markets have improved and costs have been reduced on the exchanges that have been engaged in this competition. Although these benefits are concentrated in the option classes that have been the subject of dual trading, in many cases they have also carried over to classes of options that are not dually traded. Market improvements are reflected in narrower bid/ask spreads, better price continuity between consecutive transactions and

¹⁰²Securities Exchange Act Release No. 13325 (March 3, 1977), 42 FR 13099 (March 8, 1977), 11 SEC Docket 1886 (March 15, 1977). A copy of each document submitted in response to this Release will be included in File No. S7-744.

¹⁰³At the time of Release No. 13325, the NYSE Plan had not been submitted to the Commission. Accordingly, the discussion of dual trading that occurred in response to that Release did not contemplate dual option trading that would involve the NYSE. Comments made at that time must be viewed with this fact in mind.

greater depth and liquidity. Cost savings have resulted from, among other things, reduction in charges by CBOE board brokers and AMEX specialists, and reductions in floor brokerage.¹⁰⁴

Similarly, the AMEX stated its belief "that dual trading can provide positive benefits to the public in terms of more effective markets, lower execution costs and improved services."¹⁰⁵ The AMEX also expressed its view that each exchange "should be free to seek the public's business in particular options whenever it determines it can provide effective competition and is prepared to make a lasting commitment to maintain a fair and orderly market in such options" provided that there is "full and accurate disclosure of all of the facts concerning each competing market so that brokers are in a position to make informed decisions as to where to send their orders."¹⁰⁶

The other exchanges, however, viewed the situation differently. The Philadelphia Stock Exchange ("PHLX"), for instance, observed:

Dual trading in options has a number of obvious drawbacks.

1. The fragmentation of a market which is generally limited in comparison with the market for the equity securities in which dual trading takes place.

2. The risk from the point of view of the public that the investor will not be accorded best execution; and the problem from the point of view of the broker of the administrative burden of attempting to secure best execution by checking with two or more exchanges.

3. The advantage given to professionals and arbitrageurs over the general investing public by virtue of their ability to profit from temporary price differences on different exchanges.

4. The increased burden on the Commission and the exchanges in attempting to prevent or investigate manipulative activity.¹⁰⁷

To support these views, the PHLX relied to a large extent upon its dual trading experience with Boise Cascade options. In this regard, the Exchange stated:

The primary experience of dual trading, with which PHLX is all too familiar, is the case of Boise Cascade. Prior to the institution of dual trading, on February 9, 1976, PHLX operated a deep and liquid market in Boise Cascade which attracted substantial public order flow. Then CBOE began to trade those options. Within three months, CBOE had become the primary market and Boise Cascade activity at PHLX had become

sporadic and insignificant * * *. The mechanisms by which this transformation took place are neither secret nor complex * * *. The high volume brokers whose orders were critical to the maintenance of a major market did not, by and large, consider it practical to make an individual decision with respect to each order. They dealt with one exchange or the other, and the choice of exchange depended on two factors: (1) Whether one exchange seemed to have significantly more activity than the other; and (2) which exchange seemed more convenient in view of the communications facilities and personnel which the broker had already committed to the exchange for purposes of dealing in other options. When dual trading started, the exchanges' volume appeared to have rough parity with each other. Once the convenience factor began to draw brokers into the CBOE sphere of influence, and was augmented by the size of the market factor, the movement from a sole market in PHLX to a virtually sole market at CBOE became inevitable.¹⁰⁸

From this experience, the PHLX concluded:

Dual trading in the current option environment, then, is in reality simply the transfer of an options market from the smaller exchange to the larger, with only a brief period of activity that could be regarded as competitive in any sense. Long range competition will be possible only if natural public trading in an option should reach a level which would support multiple markets, or if a composite market can be developed by the electronic linking of option markets. If, in the current state of development, the option trading on exchanges like PHLX has to be discontinued, the potential for future competition of a genuine sort will be seriously diminished. Moreover, if one or two exchanges achieve dominant positions in the options field, they will have an irresistible interest in frustrating or delaying the evolution of a composite market.¹⁰⁹

The experience of the Pacific Stock Exchange ("PSE") seemed to be similar to that of the PHLX. The PSE concluded "that, because of established patterns of order flow and because of the procedures many large retail houses use in designating markets, dual trading has not succeeded in introducing meaningful competition between marketmakers on our exchange and marketmakers on the older options exchange * * *."¹¹⁰ In reaching this conclusion, the PSE also relied upon its dual trading experience in options. Summarizing that experience, the PSE stated:

Where PSE has begun trading classes of options previously traded on CBOE or AMEX, the share of total volume that PSE has been able to attract has generally been quite low. Where PSE has begun trading a new class of options simultaneously with CBOE (Houston Oil and Minerals and Bank of America) it has seen a fairly large share of the volume for the first few weeks of dual

trading (ranging from approximately 35% to 65%), with its share of volume decreasing after the first few weeks as firms increasingly designated the other exchange. PSE has been able to achieve a measure of continuing success with dual trading only when it has been in competition with the Philadelphia Stock Exchange, as in National Lead, a dual introduced simultaneously, in which volume has been split fairly evenly between PSE and the Philadelphia Stock Exchange.¹¹¹

These results, in the view of the PSE, obtain from "the way order-routing decisions are made by a large number of securities firms"¹¹² since such firms often route customer orders on the basis of exchange volume rather than on the quality of markets provided. While agreeing that "dual trading, in situations where each exchange has a substantial share of the volume, results in better markets for investors," the PSE concluded:

Some have argued that competing market makers on a single floor narrow spreads and provide liquidity so effectively that no additional economic function can be performed by market makers on different floors. PSE's experience with dual trading is contrary to this argument. We believe the explanation for the competitive contribution that can be made by a competing marketplace lies, at least partly, in the fact that in any crowd of market makers, one, two, or a very few market makers tend to be dominant, and tend to exercise price leadership. There is also a tendency for a community of market feeling to develop among a group of market makers in daily contact with each other. Introducing an additional group of market makers in a different physical location thus does more to improve competition, by adding independent participants with independent market ideas, than adding more market makers in the same location. Dual trading of options thus has the potential to contribute significantly to improve options markets, that is, markets with greater depth and liquidity and narrower spreads.¹¹³

Although the Midwest Stock Exchange ("MSE"), with the newest of the exchange options trading programs, did not have any dual trading experience at the time that the Commission sought public comments on the subject, it had clearly developed views. That Exchange stated:

So long as public orders are primarily directed to the options exchange doing the greatest volume of trading in a dual issue, there will be an incentive on the part of market participants on all exchanges to show the greatest volume. In such a competition, those exchanges with the greatest human resources, number of options issues and financial resources will be able to easily dominate the field. Thus, to permit the AMEX or the CBOE to initiate dual trading in issues now traded exclusively by the three newer, and substantially smaller, entrants into the options business places those exchanges in an extremely disadvantageous—and indeed unfair—competitive position. Until the latter exchanges have had an

¹⁰⁴Letter to Sheldon Rappaport from Joseph W. Sullivan dated March 15, 1977, pp. 1-2.

¹⁰⁵Statement of the American Stock Exchange, Inc. in response to Securities and Exchange Commission Release No. 13325 (March 17, 1977), p. 2.

¹⁰⁶*Id.*, p. 4.

¹⁰⁷Statement of the Philadelphia Stock Exchange, Inc. in response to Securities and Exchange Commission Release No. 13325 (March 17, 1977), p. 1.

¹⁰⁸*Id.*, p. 2.

¹⁰⁹*Id.*, p. 3.

¹¹⁰Statement of the Pacific Stock Exchange, Inc. Before the Securities and Exchange Commission (March 17, 1977), p. 1.

¹¹¹*Id.*, p. 1.

¹¹²*Id.*

¹¹³*Id.*, p. 2.

opportunity to develop their own operations to the point they are stronger competitors—or until the nature of competition among exchanges has been changed as a result of systems, such as a composite quote system and a composite limit order book and regulations, such as a best execution rule—any attempt by the dominant options markets to commence dual trading with the smaller exchanges would amount, in our view, to a predatory and unfair competitive practice.¹¹⁴

Accordingly, the MSE, like the PHLX, seemed to suggest that, while dual trading might result in “predatory and unfair” practices in the present trading environment,¹¹⁵ it may be feasible to establish fair competition among exchange markets in dually traded options, and presumably to allow an expansion of such dual trading, in an environment similar to that envisioned by the Commission in its January Release for the national market system.¹¹⁶

Since the entry of the New York Stock Exchange into the options markets would most likely result in increased dual trading,¹¹⁷ public comment is invited with regard to the possible effects that such dual trading may have upon the options marketplace. Additional data and views with respect to the dual trading experience since March 1977 are invited, and public comment on the views expressed by the options exchanges, are summarized herein, would be appropriate. Further, commentators should discuss what relationship, if any, should exist between the expansion of dual option trading by virtue of NYSE entry into the options markets and the implementation of the initiatives that the Commission announced in the January Release concerning the development of a national market system.¹¹⁸

2. The Predominant Position of the NYSE in the Markets for Underlying Securities

The New York Stock Exchange accounted for 79 per cent of the share

volume and 84 per cent of the dollar volume for securities traded on exchanges in 1977.¹¹⁹ The American Stock Exchange, by contrast, was responsible for 9.3 per cent of the share volume and 4.6 per cent of the dollar volume during the same year.¹²⁰ In addition, the NYSE accounted for 85.8 per cent of the volume of all trading in stocks listed on the NYSE in that year.¹²¹

As a result of this predominant position among exchange markets and markets for NYSE-listed stocks, the NYSE also has revenues and resources at its disposal which exceed those available to other exchanges. Total NYSE revenues in 1977, for example, were \$118,962,000 and pre-tax income was \$10,747,000.¹²² Total AMEX revenues were \$36,801,000 and pre-tax income was \$1,246,000 during the same year.¹²³ The CBOE, by contrast, had total revenues of \$12,295,000 during 1977 and a pre-tax loss of \$580,000.¹²⁴ The Philadelphia Stock Exchange, on the other hand, the smallest of the option exchanges in terms of revenues, had \$4,978,000 in total revenues and \$132,000 in pre-tax income in that year.¹²⁵ Similarly, the NYSE had total assets of \$107,465,000 in 1977 whereas the AMEX had total assets of \$26,996,000, the CBOE of \$23,331,000, and the PHLX of \$30,514,000.¹²⁶

Public comment is invited concerning the benefits, if any, that might result from NYSE entry into the standardization options markets in an environment that would not permit side-by-side trading or dual market-making on the NYSE floor. Increased pricing efficiency, market liquidity, and market depth for underlying securities and their related options that may result should be discussed. Further, order routing and other operational efficiencies that might be obtained should be specifically identified and considered. Additional benefits and efficiencies that may be obtained if side-by-side trading or dual market-making were permitted on the NYSE should also be discussed.

Public comment is also invited concerning whether the dominant position of the NYSE among the markets for listed underlying securities is likely to result in comparable or greater NYSE dominance of the options markets if the NYSE is allowed to trade

standardized options. In this regard, commentators should discuss whether such a result would impose an inappropriate or unnecessary burden on competition. Specifically, commentators should consider (i) whether the NYSE's ability to attract order flow for underlying securities will give it competitive advantages in attracting order flow for options whose underlying securities are traded on that exchange, and, if so, what the effect of this shift in option order flow might be, (ii) whether the capital position and revenue flow of the NYSE may allow it to offer services and to provide fee and service charges to users of its options program that would supplement its ability to attract option order flow, and, if so, whether such conduct would be appropriate, and (iii) whether NYSE entry into the options markets might substantially alter the form and substance of competition between market centers and among brokers and dealers due to the need of the NYSE to attract marketmakers, marketmaking capital, and order flow to make its option program successful. In addition, commentators should consider whether, and to what extent, the likelihood of NYSE obtaining a dominant position in the options markets would be enhanced if the NYSE were permitted to institute a side-by-side or dual marketmaking program.

Commentators should discuss what relationship, if any, should exist between NYSE entry into the options markets and the development of a national market system for “qualified” securities in accordance with the initiatives set forth in the January Release.¹²⁷ More specifically, commentators should discuss what relationship, if any, should exist between NYSE entry into the standardized options markets and the inclusion of standardized options in a national market system for “qualified” securities or the development of a separate national market system for options based upon principles and consisting of elements similar to those set forth in the January Release.

IV. PROCEDURES

Interested persons are invited to submit written data, views, and arguments concerning the subjects discussed in this Release. In addition, public comments are invited concerning other market structure issues that the Expansion Proposals may have presented that are not discussed herein but that commentators believe the Options Study should address. Persons desiring to make written comments should file six copies thereof with the Secretary of the Commission by August 21, 1978. All submissions should be addressed to George A. Fitz-

¹¹⁴Letter to George A. Fitzsimmons from Michael E. Tobin dated March 16, 1977, p. 2.

¹¹⁵See, e.g., Securities Exchange Act Release No. 13433 (April 5, 1977), 11 SEC Docket 2194 (April 19, 1977); Securities Exchange Act Release No. 13453 (April 19, 1977), 12 SEC Docket 40 (May 3, 1977); Securities Exchange Act Release No. 13797 and No. 13798 (July 22, 1977), 12 SEC Docket 1375 (August 9, 1977); and Securities Exchange Act Release No. 14084 (October 21, 1977), 13 SEC Docket 454 (November 3, 1977).

¹¹⁶See n. 4, *Supra*.

¹¹⁷Although the NYSE Plan contemplated dual trading of numerous classes of listed options, NYSE entry into the options markets may be feasible without such dual trading. Commentators may wish to express views with regard to viability of an NYSE option program and the likely effect of NYSE option trading on the options markets in the event that the NYSE is not permitted to list and trade options listed on other exchanges.

¹¹⁸See n. 4, *supra*.

¹¹⁹Securities and Exchange Commission Statistical Bulletin, Vol. 37, No. 2 (February, 1978), p. 17.

¹²⁰*Id.*

¹²¹*Id.*, p. 35.

¹²²Staff Report on the Securities Industry in 1977, Directorate of Economic and Policy Research, Securities and Exchange Commission, (May 22, 1978), Exhibit 22.

¹²³*Id.*

¹²⁴*Id.*

¹²⁵*Id.*

¹²⁶*Id.*

¹²⁷See n. 4, *supra*.

simmons, Secretary to the Commission, 500 North Capitol Street, NW., Washington, D.C. 20549. In addition, all submissions should refer to Commission File No. S7-744.

Copies of all submissions, all subsequent amendments, all written statements with respect to the submissions filed with the Commission, and all written communications concerning the submissions will be available for inspection and copying at the Commission's Public Reference Room, 100 L Street, NW., Washington, D.C. Also, a complete copy of each of the Expansion Proposals referred to herein and comments received with regard to each will be made available for inspection and copying in File No. S7-744, as will all documents referenced in this Release as appropriate for inclusion in that File.

Because the Options Study is considering only the market structure issues that the Expansion Proposals present and intends to utilize comments that are received solely for the purpose of preparing a report to the Commission that would analyze these issues, interested persons should be aware that the Commission, upon receipt of the report, may determine that further, perhaps more formal, hearings will be necessary to resolve many of the questions that have been discussed. In addition, interested persons should be aware that, although the Options Study is soliciting public views at this time independently of the consolidated disapproval proceeding, the Commission may review comments that are submitted in connection with its deliberations concerning that proceeding.

Similarly, the Commission may utilize such comments when evaluating, at some future date, proposals that are not subject to the consolidated disapproval proceeding but that present market structure issues related to those discussed herein.

V. STATUTORY AUTHORITY

The Commission has authorized the Options Study to request public comment on the market structure issues set forth in this Release pursuant to Section 21 of the Securities Exchange Act, 15 U.S.C. 78u, as part of its investigation and study of the options markets and pursuant to the formal order of investigation that accompanied the October Release and the Consolidated Disapproval Proceeding Release. In addition, proposed rulemaking may result with regard to some of the issues upon which public comment has been solicited. Accordingly, this Release has also been issued pursuant to Sections 9(b) and 23 of the Act, 15 U.S.C. 78i(b) and 78w.

By the Commission.

GEORGE A. FITZSIMMONS,
Secretary.

JUNE 15, 1978.

[FR Doc. 78-17123 Filed 6-20-78; 8:45 am]

[8010-01]

[Rel. No. 34-14853]

EXEMPTED SECURITIES

Banks for Cooperatives—Farm Credit
Investment Bonds Designated

The Securities and Exchange Com-

mission announced today that the Farm Credit Investment Bonds issued by the thirteen Banks for Cooperatives have been designated exempted securities under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq., as amended by Pub. L. No. 94-29 June 4, 1975) by the Secretary of the Treasury pursuant to Section 3(a)(12) of that Act.

Following is the text of the letter from the Secretary of the Treasury to the Commission providing for the exemption:

"Section 3(a)(12) of the Securities Exchange Act of 1934, as amended, states that the term 'exempted security' or 'exempted securities' shall include 'such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors * * *'

"Pursuant to the provisions of that Section and authority delegated to me by the Secretary of the Treasury, I am designating for exemption securities of the thirteen Banks for Cooperatives entitled 'The Farm Credit Investment Bonds,' issued pursuant to Section 4.2 of the Farm Credit Act of 1971 (12 U.S.C. 2153). This designation may be revoked, modified or amended at any time with respect to any securities not issued prior to such time."

For the Commission by the Division of Corporation finance, pursuant to delegated authority.

GEORGE A. FITZSIMMONS,
Secretary.

JUNE 15, 1978.

[FR Doc. 78-17122 Filed 6-20-78; 8:45 am]

sunshine act meetings

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409), 5 U.S.C. 552b(e)(3).

CONTENTS

	Items
Civil Aeronautics Board.....	1,2,3
Federal Deposit Insurance Corporation	4,5
Federal Energy Regulatory Commission	6
Federal Reserve System (Board of Governors)	7
Indian Claims Commission	8
National Railroad Passenger Corporation	9
Occupational Safety and Health Review Commission.....	10

[6320-01]

1

[M-142; June 15, 1978]

CIVIL AERONAUTICS BOARD.

TIME AND DATE: 10 a.m., June 22, 1978.

PLACE: Room 1025, 1825 Connecticut Avenue NW., Washington, D.C. 20428.

SUBJECT:

1. Ratification of items adopted by notations.
2. Dockets 11128, 17196, 17486, Pan American World Airways, Inc.; Seaboard Airlines, Inc.; Trans World Airlines, Inc.; Renewal of exemption authority (Memo No. 8003, BIA, OGC).
3. Dockets 32373, and 27718, Frontier's Petition for an Order to Show Cause to amend its certificate for nonstop authority between and among Grand Forks, Fargo, and Rapid City; Frontier's request for renewal of its exemption authority to provide nonstop service between and among Grand Forks, Fargo, and Rapid City (Memo No. 5405-D BPDA).
4. Dockets 32213 and 32426; applications of Piedmont Aviation for exemptions from certain certificate restrictions in the following markets: Atlanta-Augusta/Columbia/Charlotte/Raleigh-Durham; Washington-Richmond/Norfolk/Newport News; and Memphis/Charlotte (Memo No. 7786-B, BPDA).
5. Docket 32345; American's Exemption Request to Operate Two Daily Round-trip Ohio-Dallas/Ft. Worth-San Antonio Flights Without Also Serving A Point in Mexico (Memo No. 8009, BPDA, OGC).
6. Docket 32181; Pan American's Request for an Exemption to Carry Domestic Houston-New York Traffic on One Daily Houston-New York-London Round Trip (Memo No. 8013, BPDA).
7. Docket 32348 and 32349, Trans World's Exemption Request for Minneapolis-New York Fill-up Authority; Trans World's Request for Certificate Amendment for Minneapolis-New York Fill-up Authority by Show-Cause Procedure (Memo No. 8012, BPDA).

8. Dockets 31301 and 31440; Texas International's Request For Deletion of Monroe and Alexandria, La. (Memo No. 7596-B, BPDA, OGC).

9. Docket 31371, TWA's petition for reconsideration of Order 78-3-154 (which deferred consideration of TWA's request for removal of certain restrictions) (Memo No. 7842-B, BPDA, OGC).

10. Policy Statement on Reduction in Certificated Service (BPDA, OGC).

11. Dockets 32397 and 31091 (1) Petitions for reconsideration of Order 78-4-122 which granted a blanket waiver of the Board's charter regulations to all charter operators and air carriers; and (2) Motion to vacate the stay by Order 78-5-85 of the charter-scheduled service transfer provision. (Memo No. 7899-E, BPDA, OGC).

12. Docket 30861; Application of overseas National Airways, Inc., Prestwick Investment, Inc., and Marline Resources Company, Inc. for approval of acquisition under section 408 (Memo 7941-A, BPDA).

13. Docket 32268, Petition by State and County of Hawaii for reconsideration of Order 78-4-24, which vacated suspension for intra-Hawaii fare increase (BPDA).

14. Docket 32431, Mainland-Hawaii fare increase proposed by Continental. A three-percent increase was suspended by the Board so that it could be evaluated on the basis of more current data. That analysis shows an adjusted ROI of less than 12 percent. (BPDA).

15. Docket 32831, Super-Saver Night Coach fares proposed by TWA. Delta has complained because the fares would apply on day coach services in one direction. (BPDA).

16. Docket 29034, Alaska Airlines, Inc., Subsidy Mail Rate order to show cause proposing final subsidy rates for the period on and after March 23, 1976. (BPDA), (Memo No. 5755-G).

17. Docket 30464, Application of Braniff, British Airways and Air France for approval of London/Paris-Dulles-Dallas/Ft. Worth Concorde Interchange Agreements (OGC).

18. Docket 28096, Category Y Fare Investigation (OGC).

19. Dockets 31249, 31255, 31274, 30549, 30941, 30963, 30965, 30968, and 31016; "Contract Cargo" and specific commodity rates filed by various carriers. All docket except 31016 are outstanding complaints against either effective or obsolete rates. Docket 31016 is a dormant investigation of TWA "Contract Advance Purchase Rates." (Memo 6989-C, BPDA, BIA).

20. Dockets 30807 and 31841, Applications of Zantop International Airlines, Inc. for domestic all-cargo authority (Memo 7964-A, BPDA).

21. Docket 27557, Cargo Charter Transfer Rate Investigation—Motions of The Flying Tiger Line Inc., and the Bureau of Pricing and Domestic Aviation requesting the rejection or cancellation of a tariff under investigation (Memo No. 6703-A, OGC).

22. Docket 32294, U.S.-Bahamas Service Investigation, Order on Reconsideration of Instituting Order (Memo No. 6923-F OGC).

23. Docket 32325, Phoenix-Salt Lake City Service Investigation—Petition for Reconsideration of Instituting Order (Memo No. 7785-C, OGC).

24. Docket 31311, Cincinnati-Cleveland Nonstop Route Proceeding. ALJ granted competitive nonstop authority to Delta and Allegheny and refused to delete or suspend TWA's dormant authority (Memo No. 6288-E, OGC).

25. So-called "letters" to the Board in litigated cases (Memo No. 8014; BLJ).

CLOSED:

26. Mexico; Renewal of procedure for reviewing capacity increases and resolving dissatisfaction through consultations. (Memo No. 8000, BIA).

STATUS: 1 through 25—Open; 26—Closed.

PERSON TO CONTACT:

Phyllis T. Kaylor, the Secretary, 202-673-5068.

[S-1292-78 Filed 6-19-78; 3:50 pm]

[6320-01]

2

[M-139, Amdt. 1, June 16, 1978]

NOTICE OF DELETION OF ITEM FROM THE JUNE 16, 1978 AGENDA

TIME AND DATE: 9 a.m., June 16, 1978.

PLACE: Room 1027, 1825 Connecticut Avenue NW., Washington, D.C. 20428.

SUBJECT: 3. Dockets 21866, 31290 and 30891, Domestic Passenger-Fare Investigation; Domestic Passenger-Fare Level Policies; Domestic Passenger-Fare Structure Policies; Discount Fare Policy (Instructions to Staff).

STATUS: Open.

PERSON TO CONTACT:

Phyllis T. Kaylor, the Secretary, 202-673-5068.

SUPPLEMENTARY INFORMATION: Oral argument was heard on June 15 and 16. Instructions were scheduled to be given following the oral argument. In order for the Board to be provided more time to consider the issues involved, the following Board Members have voted that agency business requires the deletion of Item 3 from the June 16, 1978 agenda and that no earlier announcement of the deletion was possible:

Chairman, Alfred E. Kahn
Vice Chairman, G. Joseph Minetti
Member, Lee R. West
Member, Richard J. O'Melia

Member, Elizabeth E. Bailey

[S-1293-78 Filed 6-19-78; 3:50 pm]

[6320-01]

3

[M-142, Amdt. 1, June 16, 1978]

**NOTICE OF ADDITION OF INFORMATION
TO ITEM AND CORRECTION OF ROOM
NUMBER FOR ITEMS 1 THROUGH 25**

CIVIL AERONAUTICS BOARD.

TIME AND DATE: 10 a.m., June 22, 1978.

PLACE: Room 1011, 1825 Connecticut Avenue NW., Washington, D.C. 20428.

SUBJECT: 26. Mexico; Renewal of procedure for reviewing capacity increases and resolving dissatisfaction through consultations (Memo No. 8000, BIA).

STATUS: Closed.

PERSON TO CONTACT:

Phyllis T. Kaylor, The Secretary,
202-673-5068.

SUPPLEMENTARY INFORMATION:
This notice corrects two matters, the first is to change the Room Number for Items 1 thru 25, from 1025 to 1027, and secondly, for Item 26, the explanation of the closing, votes of the Members on the closing, General Counsel's certification and list of persons expected to attend see Meeting Announcement 138, dated June 9, 1978.

[S-1294-78 Filed 6-19-78; 3:50 pm]

[6714-01]

4

**FEDERAL DEPOSIT INSURANCE
CORPORATION.**

TIME AND DATE: 10:30 a.m., June 26, 1978.

PLACE: Board Room, 6th Floor, FDIC Building, 550 17th Street NW., Washington, D.C.

STATUS: Open.

MATTERS TO BE CONSIDERED:

Disposition of minutes of previous meetings.

Applications for Federal deposit insurance:

The Bank of Northern Arizona, a proposed new bank to be located at 211 North Leroux Street, Flagstaff, Arizona, for Federal deposit insurance.

West Valley Bank, a proposed new bank to be located at 18721 Ventura Boulevard, Tarzana, California, for Federal deposit insurance.

Jasper State Bank, a proposed new bank to be located in the 3-D Shopping Center, U.S. Highway 231, Jasper, Indiana, for Federal deposit insurance.

The Oak Mound Bank, a proposed new bank to be located in the Rose Bud Plaza, State Route 19 South, Clarksburg, West Virginia, for Federal deposit insurance.

Application for consent to establish a branch:

Harlem Savings Bank, New York (Manhattan), New York, for consent to establish a branch at 1555 First Avenue, New York, New York.

Request for consent to retire convertible subordinated capital debentures by conversion into common stock:

DeLand State Bank, DeLand, Florida.

Applications for consent to merge and to establish branches:

Guarantee Bank, Atlantic City, New Jersey, for consent to merge with Swedesboro Trust Company, Swedesboro, New Jersey, and for consent to establish the two offices of Swedesboro Trust Company as branches of the resultant bank.

Commercial Security Bank, Ogden, Utah, for consent to merge with Commercial Security Bank of Logan, Logan, Utah, and for consent to establish the sole office of Commercial Security Bank of Logan as a branch of the resultant bank.

Request for an exemption from the record-keeping requirements of Part 338 of the Corporation's rules and regulations, entitled "Fair Housing Advertising, Poster and Recordkeeping Requirements":

Chemical Bank of Rochester, Rochester, New York.

Recommendations regarding liquidation of a bank's assets acquired by the Corporation in its capacity as receiver, liquidator, or liquidating agent of those assets:

Case No. 43,551-L—American City Bank & Trust Company, National Association, Milwaukee, Wisconsin.

Case No. 43,554-L—The Drovers' National Bank of Chicago, Chicago, Illinois.

Case No. 43,555-L—The Drover's National Bank of Chicago, Chicago, Illinois.

Recommendations with respect to payment for legal services rendered and expenses incurred in connection with receivership and liquidation activities:

Casey, Lane & Mittendorf, New York, New York, in connection with the liquidation of Franklin National Bank, New York, New York.

Taback & Hyams, Jericho, New York, in connection with the liquidation of Franklin National Bank, New York, New York (two memorandums).

Gibbs, Roper, Loots & Williams, Milwaukee, Wisconsin, in connection with the liquidation of American City Bank & Trust Company, National Association, Milwaukee, Wisconsin.

Recommendations with respect to the amendment of Corporation rules and regulations:

Memorandum and resolution proposing the publication for comment of amendments to Part 336 of the Corporation's rules and regulations, entitled "Employee Responsibilities and Conduct."

Memorandum and resolution proposing the publication for comment of a new Part 344 of the Corporation's rules and regulations, to be entitled "Community Reinvestment."

Memorandum and resolution proposing the rescission of the Corporation's statement of policy entitled "Nondiscrimination in Real Estate Loan Activities."

Resolution amending the Corporation's bylaws to redefine the duties, functions, and responsibilities of the Office of Cor-

porate Audits and adopting a policy statement on Corporate Audit Activities.

Memorandum requesting an amendment to the Budget of Administrative Expenses for Budget year 1978 to provide additional funds to finance the development of an advanced course in bank analysis for examiners.

Memorandum proposing the selection of a contractor to assist in the Corporation's Liquidation Accounting Study Project and the approval of the contract.

Memorandum proposing the appointment of an agent for service of process in the State of North Carolina.

Appeals pursuant to the Freedom of Information Act, from the Corporation's earlier denial or partial denial of requests for records.

Reports of committees and officers:

Minutes of the actions approved by the Committee on Liquidations, Loans and Purchases of assets pursuant to authority delegated by the Board of Directors.

Reports of the Director of the Division of Bank Supervision with respect to applications or requests approved by him and the various Regional Directors pursuant to authority delegated by the Board of Directors.

Reports of security transactions authorized by the Chairman.

CONTACT PERSON FOR MORE INFORMATION:

Alan R. Miller, Executive Secretary
202-389-4446.

[S-1288-78 Filed 6-19-78; 12:23 pm]

[6714-01]

5

**FEDERAL DEPOSIT INSURANCE
CORPORATION.**

TIME AND DATE: 10 a.m., June 26, 1978.

PLACE: Room 6135, FDIC Building, 550 17th Street, NW., Washington, D.C.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Application for Federal deposit insurance:

First Guaranty Savings Bank, a proposed new bank to be located on South Broadway, opposite the entrance to Rockingham Race Track, Salem, New Hampshire, for Federal deposit insurance.

Application for consent to move a branch:

Banco de San Juan, San Juan (San-turce), Puerto Rico, for consent to move a branch from 1054 Munoz Rivera Avenue, San Juan (Rio Piedras), Puerto Rico, to the corner of Munoz Rivera and Pineiro Anenues, San Juan (Hato Rey), Puerto Rico.

Application for approval of a \$150,000 subordinated convertible capital note as an addition to the bank's capital structure, for prior written consent to convert the issue into common stock, and for advance consent to the retirement in accordance with the mandatory repayment provisions:

Pacific Coast Bank, San Diego, California.

Requests pursuant to section 19 of the Federal Deposit Insurance Act for consent to service of persons convicted of an offense involving dishonesty or a breach of trust as a director, officer, or employee of an insured bank:

Names of persons and of banks authorized to be exempt from disclosure pursuant to the provisions of subsection (c)(6) of the "Government in the Sunshine Act" (5 U.S.C. 552b(c)(6)).

Application for consent to merge and to establish branches:

Hernando State Bank, Brooksville, Florida, for consent to merge with First American National Bank of Hernando County, Hernando County (P.O. Spring Hill), Florida, and for consent to establish the one existing and one approved but unopened offices of First American National Bank of Hernando county as branches of the resultant bank.

Application for consent to a purchase and assumption transaction and for consent to establish a branch:

Commercial Bank & Trust Company, Miami, Florida, for consent to purchase the assets and assume the liabilities of the North Miami Branch of City National Bank of North Miami, North Miami, Florida, and for consent to establish the North Miami Branch as a branch of Commercial Bank & Trust Company.

Recommendations regarding the liquidation of a bank's assets acquired by the Corporation in its capacity as receiver, liquidator, or liquidating agent of those assets:

Case No. 43,435-L—Centennial Bank, Philadelphia, Pennsylvania.

Case No. 43,537-L (Amended)—The Drovers' National Bank of Chicago, Chicago, Illinois.

Case No. 43,550-L—Franklin National Bank, New York, New York.

Case No. 43,553-L—Franklin National Bank, New York, New York.

Case No. 43,557-L—International City Bank and Trust Company, New Orleans, Louisiana.

Case No. 43,558-NR—United States National Bank, San Diego, California.

Case No. 43,560-L—Northeast Bank of Houston, Houston, Texas.

Case No. 43,561-L—Franklin National Bank, New York, New York.

Case No. 43,562-NR—United States National Bank, San Diego, California.

Case No. 43,563-L—Banco Credito y Ahorro Ponceño, Ponce, Puerto Rico.

Memorandum re: Banco Economias, San German, Puerto Rico.

Recommendations with respect to the initiation or termination of cease-and-desist proceedings, termination-of-insurance proceedings, or suspension or removal proceedings against certain insured banks or officers or directors thereof:

Names of persons and names and locations of banks authorized to be exempt from disclosure pursuant to the provisions of subsections (c)(6), (c)(8), and (c)(9)(A)(ii) of the "Government in the Sunshine Act" (5 U.S.C. 552b (c)(6), (c)(8), and (c)(9)(A)(ii)).

Personnel actions regarding appointments, promotions, administrative pay increases, reassignments, retirements, separations, removals, etc.:

Names of employees authorized to be exempt from disclosure pursuant to the provisions of subsections (c)(2) and (c)(6)

of the "Government in the Sunshine Act" (5 U.S.C. 552b(c)(2) and (c)(6)).

CONTACT PERSON FOR MORE INFORMATION:

Alan R. Miller, Executive Secretary,
202-389-4446.

[S-1287-78 Filed 6-19-78; 12:23 pm]

[6740-02]

6

FEDERAL ENERGY REGULATORY COMMISSION.

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: 43 FR 26361, June 19, 1978.

PREVIOUSLY ANNOUNCED TIME AND DATE OF MEETING: 10 a.m., June 21, 1978.

CHANGE IN THE MEETING: The following items have been added:

Item No., Docket No., and Company

ER-8-E-8570, (Fuel Clause), Southern California Edison Company.

P-2-DA-222-Washington, Bureau of Land Management.

CI-5-CI77-681 and CI77-681, and CI77-682, Southern Union Supply Company, Phillips Petroleum Company.

CP-6-CP78-171, Southern Natural Gas Company, Texas Gas Transmission Corporation and United Pipe Line Company.

CP7-CP77-585, Texas Eastern Transmission Corporation and Consolidated Gas Supply Corporation.

CP-16-(A)-RP71-29, et al., (Phase II), United Gas Pipe Line Company-(B)-RP71-29, et al., (Phase II), United Gas Pipe Line Company-(C)-RP71-29, et al., (Phase III), United Gas Pipe Line Company.

KENNETH F. PLUMB,
Secretary.

[S-1289-78 Filed 6-19-78; 3:02 pm]

[6210-01]

7

FEDERAL RESERVE SYSTEM (Board of Governors).

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: Sent to FEDERAL REGISTER on June 13, 1978.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: 10 a.m., Wednesday, June 21, 1978.

CHANGES IN THE MEETING: Change in time of the above open meeting to 11:30 a.m., Wednesday, June 21, 1978.

CONTACT PERSON FOR MORE INFORMATION:

Mr. Joseph R. Coyne, Assistant to the Board, 202-452-3204.

Dated: June 16, 1978.

THEODORE E. ALLISON,
Secretary of the Board.

[S-1286-78 Filed 6-19-78; 10:36 am]

[7030-01]

8

INDIAN CLAIMS COMMISSION.

TIME AND DATE: 10:15 a.m., June 28, 1978.

PLACE: Room 600, 1730 K Street NW., Washington, D.C.

STATUS: Open to the Public: Docket 18-D, Bois Forte; Docket 29-E, Hannahville; Docket 59, Saginaw Chippewa; Docket 71, Potawatomi; Docket 133-B, Ottawa; Docket 295-A, Mojave; and Docket 332-C, Yankton Sioux.

FOR MORE INFORMATION:

David H. Bigelow, Executive Director, Room 640, 1730 K Street NW., Washington, D.C. 20006, telephone 202-653-6174.

[S-1290-78 Filed 6-19-78; 3:02 pm]

9

NATIONAL RAILROAD PASSENGER CORPORATION BOARD OF DIRECTORS:

In accordance with rule 4a. of Appendix A of the Bylaws of the National Railroad Passenger Corporation, notice is given that the Board of Directors will meet on June 28, 1978.

A. The meeting will be held on Wednesday, June 28, 1978, in the Columbia B Room of the Hyatt Regency Hotel, 400 New Jersey Avenue NW., Washington, D.C. beginning at 10:15 a.m.

B. The meeting will be open to the public at 11:15 a.m. beginning with agenda item no. 4, as described below.

C. The agenda items to be discussed at the meeting follow:

AGENDA

NATIONAL RAILROAD PASSENGER CORPORATION

Meeting of the Board of Directors—June 28, 1978

10:15—Closed session:

1. Internal Personnel Matters.
2. Litigation Matters.
3. Consultant Reports.

11:15—Open session:

4. Approval of Minutes of Regular Meeting of May 31, 1978.
5. Commitment Approval Requests.
 - 77-242-S1—Pollution Control—Chicago, Illinois.
 - 78-99—Pollution Control—New Orleans, Louisiana.
 - 78-105—Lease of 3rd Street Warehouse, Washington, D.C.
6. Fare Policy
7. Board Committee Reports.
 - Audit.
 - Equipment.
 - Northeast Corridor Improvement Project.

SUNSHINE ACT MEETINGS

Organization and Compensation.
Planning and Finance.

8. President's Report.
9. New Business.
10. Adjournment.

D. Inquiries regarding the information required to be made available pursuant to Appendix A of the Corporation's Bylaws should be directed to the Corporate Secretary at 202-383-3973.

Dated: June 16, 1978.

ELYSE G. WANDER,
Corporate Secretary.

[S-1285-78 Filed 6-19-78; 10:28 am]

[7600-01]

10

**OCCUPATIONAL SAFETY AND
HEALTH REVIEW COMMISSION.**

TIME AND DATE: 10 a.m., June 26,
1978.

PLACE: Room 1101, 1825 K Street
NW., Washington, D.C.

STATUS: This meeting is subject to
being closed by a vote of the Commis-
sioners taken at the beginning of the
meeting.

MATTERS TO BE CONSIDERED:
Discussion of specific cases in the
Commission adjudication process.

**CONTACT PERSON FOR MORE IN-
FORMATION:**

Ms. Lottie Richardson, 202-634-7970.

Dated: June 19, 1978.

[S-1291-78 Filed 6-19-78; 3:02 pm]

WEDNESDAY, JUNE 21, 1978
PART II



DEPARTMENT OF
STATE

■

FISHERY CONSERVATION
AND MANAGEMENT
ACT OF 1976

Applications for Permits To Fish Off
the Coasts of the United States

Revised
1978

[4710-09]

DEPARTMENT OF STATE

[Public Notice 614]

FISHERY CONSERVATION AND MANAGEMENT
ACT OF 1976Applications for Permits To Fish Off the Coasts
of the United States

The Fishery Conservation and Management Act of 1976 (Pub. L. 94-265) (the "Act") provides that no fishing shall be conducted by foreign fishing vessels in the Fishery Conservation Zone of the United States after February 28, 1977, except in accordance with a valid and applicable permit issued pursuant to Section 204 of the Act.

The Act also requires that all applications for such permits be published in the *FEDERAL REGISTER*.

Applications for fishing during 1978 have been received from the Government of Mexico, Japan, and the Union of Soviet Socialist Republics, and are published herewith.

Dated: June 12, 1978.

LARRY L. SNEAD,
Acting Director,
Office of Fisheries Affairs.

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. MX-78-0035

1. Name of Vessel NUSKA 2. Vessel Identifier (Call Sign) XCNI
 3. Type of Vessel Stern Trawler 4. Length 49
 5. Gross Tonnage 747 6. Net Tonnage 382 7. Speed (knots) 14
 8. Owner's Name and Address MEXICANA Y ESPANOLA DE PESCA SA DE CV, HOMERO
1804, PISO 7, MEXICO 20, D.F.
 9. Types of Processing Equipment Flash freezer

10. Fisheries for Which Permit is Requested:

Fishery	Target Species	Gear To Be Used	Catching	Processing	Other Support
NWA	Long-finned squid	Bottom trawl	X	X	

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. MX-78-0036

1. Name of Vessel NAVOJOA I 2. Vessel Identifier (Call Sign)
 3. Type of Vessel STERN TRAWLER 4. Length 67.90
 5. Gross Tonnage 1,500 6. Net Tonnage 779.08 7. Speed (knots) 15
 8. Owner's Name and Address COMPANIA MEXICANA PESQUERA E INDUSTRIAL, S.A.
DE C.V. Cuauhtémoc y J. O. de Domínguez, Navojoa, Sonora
 9. Types of Processing Equipment FREEZER

10. Fisheries for Which Permit is Requested:

Fishery	Target Species	Gear To Be Used	Catching	Processing	Other Support
NWA	LONG-FINNED SQUID	BOTTOM TRAWL	X	X	
NWA	SHORT-FINNED SQUID	MID-WATER TRAWL	X	X	

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. JA-78-1133

1. Name of Vessel SEKISUI MARU 2. Vessel Identifier (Call Sign) OKFP
 3. Type of Vessel STERN TRAWLER 4. Length 61 METERS
 5. Gross Tonnage 997 TONS 6. Net Tonnage 508 TONS 7. Speed (knots) 11
 8. Owner's Name and Address NYCHIRO OYOGYO KAIHUNSHI KAISHA
12-1 YUAKUCHO 1-CHOME, CHITODA-KU, TOKYO 100, JAPAN.
 9. Types of Processing Equipment
FLASH FREEZER, HEATER, EVISCERATOR, STRAPPING MACHINE

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
BSA	POLLOCK	BOTTOM TRAWL	X	X	
	PACIFIC OCEAN PERCH	BOTTOM TRAWL	X	X	
	SABLEFISH	BOTTOM TRAWL	X	X	
	YELLOWFIN SOLE	BOTTOM TRAWL	X	X	
	OTHER FLOUNDER	BOTTOM TRAWL	X	X	
	PACIFIC COD	BOTTOM TRAWL	X	X	
	SQUID	BOTTOM TRAWL	X	X	
	HERRING	BOTTOM TRAWL	X	X	
	OTHER GROUND FISH	BOTTOM TRAWL	X	X	
GOA	POLLOCK	BOTTOM TRAWL	X	X	
	PACIFIC OCEAN PERCH	BOTTOM TRAWL	X	X	
	OTHER ROCK FISHES	BOTTOM TRAWL	X	X	
	FLOUNDER	BOTTOM TRAWL	X	X	
	PACIFIC COD	BOTTOM TRAWL	X	X	
	SQUID	BOTTOM TRAWL	X	X	
	ATKA MACKEREL	BOTTOM TRAWL	X	X	
	OTHER GROUND FISH	BOTTOM TRAWL	X	X	

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. JA-78-1134

1. Name of Vessel TATYO MARU NO.65 2. Vessel Identifier (Call Sign) JQIN
 3. Type of Vessel CARGO/TRANSPORT 4. Length 76M.
 5. Gross Tonnage 1,311M.T. 6. Net Tonnage 710M.T. 7. Speed (knots) 12
 8. Owner's Name and Address TATYO FISHERY CO., LTD.
1-5-1, MARUNOUCHI, CHITODA-KU, TOKYO, 100, JAPAN.
 9. Types of Processing Equipment -----

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
BSA	POLLOCK				X
	PACIFIC OCEAN PERCH				X
	SABLEFISH				X
	YELLOWFIN SOLE				X
	OTHER FLOUNDER				X
	PACIFIC COD				X
	OTHER GROUND FISH				X
	HERRING				X
	SQUID				X
CRB	TANNER CRAB				X
GOA	POLLOCK				X
	PACIFIC COD				X
	FLOUNDER				X
	PACIFIC OCEAN PERCH				X
	OTHER ROCK FISH				X
	OTHER GROUND FISH				X
	SQUID				X
	ATKA MACKEREL				X

-TO BE CONTINUED-

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. JA-78-1139

1. Name of Vessel TAIYO MARU NO.65 2. Visual Identifier (Call Sign) JQIN
 3. Type of Vessel CARGO/TRANSPORT 4. Length 76M.
 5. Gross Tonnage 1,315M.T. 6. Net Tonnage 710M.T. 7. Speed (knots) 12
 8. Owner's Name and Address TAIYO FISHERY CO., LTD.
1-5-1, MARINOUCHI, CHIYODA-KU, TOKYO, 100, JAPAN.
 9. Types of Processing Equipment -----

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
SBL	SABLEFISH				X
SNA	SNAILS				X
NWA	LONG FINNED SQUID				X
	SHORT FINNED SQUID				X
	BUTTER FISH				X
	OTHER FINFISH				X

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. JA-78-1140

1. Name of Vessel TAIYO MARU NO.66 2. Visual Identifier (Call Sign) JPJA
 3. Type of Vessel CARGO/TRANSPORT 4. Length 76M.
 5. Gross Tonnage 1,315M.T. 6. Net Tonnage 690M.T. 7. Speed (knots) 12
 8. Owner's Name and Address TAIYO FISHERY CO., LTD.
1-5-1, MARINOUCHI, CHIYODA-KU, TOKYO, 100, JAPAN.
 9. Types of Processing Equipment -----

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
BSA	POLLOCK				X
	PACIFIC OCEAN PERCH				X
	SABLEFISH				X
	YELLOWFIN SOLE				X
	OTHER FLOUNDER				X
	PACIFIC COD				X
	OTHER GROUND FISH				X
	HERRING				X
	SQUID				X
CSB	TANNER CRAB				X
GOA	POLLOCK				X
	PACIFIC COD				X
	FLOUNDER				X
	PACIFIC OCEAN PERCH				X
	OTHER ROCKFISH				X
	OTHER GROUND FISH				X
	SQUID				X
	ATKA MACKEREL				X

-TO BE CONTINUED-

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. JA-78-1140

1. Name of Vessel TAIYO MARU NO.66 2. Visual Identifier (Call Sign) JPJA
 3. Type of Vessel CARGO/TRANSPORT 4. Length 76M.
 5. Gross Tonnage 1,315M.T. 6. Net Tonnage 690M.T. 7. Speed (knots) 12
 8. Owner's Name and Address TAIYO FISHERY CO., LTD.
1-5-1, MARINOUCHI, CHIYODA-KU, TOKYO, 100, JAPAN.
 9. Types of Processing Equipment -----

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
SBL	SABLEFISH				X
SNA	SNAILS				X
NWA	LONG FINNED SQUID				X
	SHORT FINNED SQUID				X
	BUTTER FISH				X
	OTHER FINFISH				X

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

No. JA-78-1141

1. Name of Vessel IKKISEN MARU NO.10 2. Visual Identifier (Call Sign) JAAAT
 3. Type of Vessel LONGLINER / POT 4. Length 43.00M
 5. Gross Tonnage 330 6. Net Tonnage 186 7. Speed (knots) 8.5 KT.
 8. Owner's Name and Address KAIYO GYOEN CO. LTD.
1-1-18, MINATO-CHO, ISHINOMARU-SHI, MIYAGI-KEN, JAPAN.
 9. Types of Processing Equipment FLASH FREEZER, SHILL STRIPPER,
SNAIL SHILL BREAKER.

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
SNA	SNAILS	TRAPS (POTS)	X	X	

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN) NO. JA-78-1213

1. Name of Vessel KUROMORI MARU NO.32 2. Vessel Identifier (Call Sign) JMNP

3. Type of Vessel Longliner 4. Length 43

5. Gross Tonnage 300 6. Net Tonnage 140 7. Speed (knots) 11

8. Owner's Name and Address TANAKA GYOGYO CO., LTD.
10-7, 3-CHOME KIRIKIRI OZUCHI-CHO, KAMIHET-GUN, IWATE-KEN

9. Types of Processing Equipment Flash Freezer

10. Fisheries for Which Permit is Requested:

Fishery	Target Species	Gear To Be Used	Catching	Activity	Processing	Other Support
ABS		Pelagic longline	X			
		Pelagic Longline	X			

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN) NO. JA-78-1274

1. Name of Vessel OTORI MARU NO.18 2. Vessel Identifier (Call Sign) JJDY

3. Type of Vessel Longliner 4. Length 50

5. Gross Tonnage 299 6. Net Tonnage 154 7. Speed (knots) 12.9

8. Owner's Name and Address KOICHI YAMADA
4382 MUROTOMISAKI-CHO, MUROTO-SHI, KOCHI-KEN

9. Types of Processing Equipment Flash Freezer

10. Fisheries for Which Permit is Requested:

Fishery	Target Species	Gear To Be Used	Catching	Activity	Processing	Other Support
ABS		Pelagic longline	X			
		Pelagic Longline	X			

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

FISHING VESSEL IDENTIFICATION FORM (FOREIGN)

NO. UK-78-0169

1. Name of Vessel MYS GRINA 2. Vessel Identifier (Call Sign) UUOT

3. Type of Vessel STERN TRAWLER 4. Length 84

5. Gross Tonnage 2581 6. Net Tonnage 888 7. Speed (knots) 12.5

8. Owner's Name and Address NAKHODEINSKAYA BAZA AKTIVNOGO MORSEGO
RYBOLOVSTVA, NAKHODEA, USSR

9. Types of Processing Equipment FREEZER, FISH MEAL PLANT, FILLETER

10. Fisheries for Which Permit is Requested:

Fishery	Target Species	Gear To Be Used	Catching	Activity	Processing	Other Support
WOC	HAKE			X		X

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☐ No ☒ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

Instead of SULAK. To conduct the support operation to U.S. catchers working for Marine Resources Co., Inc.

Support of approximately 3 U.S. flag vessels fishing for Marine Resources Co. of Seattle.

FISHERY - W.O.C.

SPECIES - Hake and authorized by-catch of other finfish

QUANTITIES - Approximately 7,500 mt (including catch received from U.S. fishing vessels and processed on TERNEY) to be processed for Marine Resources Co. from catches they will purchase from U.S. fishing vessels.

DATES - June 1 - November 1, 1978

FISHING VESSEL IDENTIFICATION FORM (Foreign)

No. UR-78-0202

1. Name of Vessel TERNEJ 2. Visual Identity Number (Call Sign) URNN
 3. Type of Vessel STERN TRAWLER 4. Length 84
 5. Gross Tonnage 2690 6. Net Tonnage 926 7. Speed (knots) 12.7
 8. Owner's Name and Address NAKHODKINSKAYA BAZA ARTIVNOGO MORSKOGO
RYBOLOVSTVA, NAKHODEA, USSR
 9. Types of Processing Equipment FREEZER, FISH MEAL PLANT, FILLETER

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
WOO	HAKE			X	X

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☐ No ☒ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

Instead of TIKHVIN. To conduct the support operation to U.S. catchers working for Marine Resources Co., Inc.

Support of approximately 3 U.S. flag vessels fishing for Marine Resources Co. of Seattle.

FISHERY - W.O.C.

SPECIES - Hake and authorized by-catch of other finfish

QUANTITIES - Approximately 7,500 mt (including catch received from U.S. fishing vessels and processed on MYE GRINA) to be processed for Marine Resources Co. from catches they will purchase from U.S. fishing vessels.

DATES - June 1 - November 1, 1978

FISHING VESSEL IDENTIFICATION FORM (Foreign)

No. UR-78-0619

1. Name of Vessel FLOTINPETSILJA - 01 2. Visual Identity Number (Call Sign) ENED
 3. Type of Vessel SRTM 4. Length 54
 5. Gross Tonnage 566 6. Net Tonnage 146 7. Speed (knots) 11.3
 8. Owner's Name and Address VOSTOKRYENKHOLODLOT
25, BEREZOVAYA UL., VLADIVOSTOK, U.S.S.R.
 9. Types of Processing Equipment NIL

10. Fisheries for Which Permit is Requested:

Fishery Plans	Target Species	Gear To Be Used	Catching	Processing	Other Support
WOO					X
GOA					X
EDA					X

11. Are Fishing Activities Requested in Support of Vessels of a Different Flag:

☒ No ☐ Yes (If yes, attach supplemental sheet showing flag of other vessels, fishery, species, quantities, dates, locations and specific activities requested.)

[FR Doc. 78-16973 Filed 6-20-78; 8:45 am]

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COMMITTEE ON THE JUDICIARY

WITNESSES

JOHN EDGAR HOOVER, Director, Federal Bureau of Investigation

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(Revised as of October 1, 1977)

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